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Volume No. 1

EXPLANATORY NOTES
for
DEPARTMENT OF AGRICULTURE
BUDGET ESTIMATES
Fiscal Year
1946

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(Volume 1)

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THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES

REPORT OF THE
COMMISSIONERS OF THE
BUREAU OF THE CENSUS
ON THE
CENSUS OF 1900

IN
RESPONSE TO A RESOLUTION
PASSED BY THE HOUSE OF REPRESENTATIVES
JANUARY 28, 1901

BY
J. EDWARD SMITH, CHIEF OF BUREAU
AND
J. EDWARD SMITH, CHIEF OF BUREAU

WASHINGTON:
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UNITED STATES DEPARTMENT OF AGRICULTURE

Budget Estimates, 1946 Compared with Appropriations, 1945

Note: Figures in brackets [] not included in totals. Figures shown for individual appropriation items in 1945 exclude estimated costs of overtime pay, which are shown in a single lump-sum entry at the end of this statement.

Item	Appropriations: 1945 1/	Budget estimates, 1946	Increase (+) or decrease (-)
<u>Appropriated Funds</u>			
OFFICE OF THE SECRETARY (Salaries and expenses)...	\$1,467,817	2/ \$1,467,000	2/ -\$817
PENALTY MAIL (SECTION 2, Public Law 364)	3,161,650	3,478,000	+316,350
OFFICE OF SOLICITOR (Salaries and expenses)	1,664,155	2/ 1,664,000	2/ -155
OFFICE OF INFORMATION:			
Salaries and expenses	440,098	460,000	+19,902
Printing and binding	1,100,000	1,100,000	-100,000
Total	1,540,098	2/ 1,460,000	2/ -80,098
LIBRARY (Salaries and ex- penses)	466,270	467,900	+1,630
BUREAU OF AGRICULTURAL ECONOMICS:			
Economic investigations.	2,058,236	2,110,000	+51,764
Crop and livestock estimates	1,505,320	1,420,000	-85,320
Total	3,563,556	2/ 3,530,000	2/ -33,556
OFFICE OF FOREIGN AGRICUL- TURAL RELATIONS (Salaries and expenses).....	418,188	500,000	+81,812

1/ Figures adjusted for comparability on basis of appropriation set-up in the 1946 Budget estimates.

2/ Budget estimates provide changes in working funds for 1946 as compared with 1945 (excluding overtime) by direct appropriation and transfer, as follows: Office of the Secretary, -\$36,850; Office of Solicitor, -\$92,870; Office of Information, salaries and expenses, -\$54,881, and Printing and binding, -\$160,000; Bureau of Agricultural Economics, economic investigations, -\$53,680, and crop and livestock estimates, -\$85,320.

Item	Appropriations, 1945 1/	Budget estimates, 1946	Increase (+) or decrease (-)
EXTENSION SERVICE:			
Payments to States:			
Capper-Ketcham Act	\$1,480,000	\$1,480,000	- -
Bankhead-Jones Act	12,000,000	12,000,000	- -
Additional extension work:	555,000	555,000	- -
Alaska	23,950	23,950	- -
Puerto Rico	140,000	140,000	- -
Cooperative agricultural extension work (perma- nent)	4,704,710	4,704,710	- -
Total, payments to States	18,903,660	18,903,660	- -
Salaries and expenses:			
Administration and coordination of exten- sion work	691,258	697,900	+\$6,642
Total	19,594,918	19,601,560	+6,642
AGRICULTURAL RESEARCH			
ADMINISTRATION:			
OFFICE OF ADMINISTRATOR (Salaries and expenses)	282,237	285,200	+2,963
SPECIAL RESEARCH FUND	1,088,256	1,088,000	-256
OFFICE OF EXPERIMENT STATIONS:			
Payments to States:			
Hatch Act	720,000	720,000	- -
Adams Act	720,000	720,000	- -
Purnell Act	2,880,000	2,880,000	- -
Bankhead-Jones Act ..	2,463,708	3,000,000	+536,292
Hawaii	90,000	90,000	- -
Alaska	37,500	47,500	+10,000
Puerto Rico	90,000	90,000	- -
Total, payments to States	7,001,208	7,547,500	+546,292
Salaries and expenses:			
Administration of grants and coordina- tion of research with States	153,672	153,600	-72
Federal experiment station, Puerto Rico	99,375	160,000	+60,625
Total, salaries and expenses ..	253,047	313,600	+60,553
Total	7,254,255	7,861,100	+606,845

1/ Figures adjusted for comparability on basis of appropriation set-up in the 1946 Budget estimates.

Item	Appropriations: 1945 1/	Budget estimates, 1946	Increase (+) or decrease (-)
AGRICULTURAL RESEARCH			
ADMINISTRATION: -- Cont.			
BUREAU OF ANIMAL INDUSTRY			
(Salaries and expenses):			
Animal husbandry	\$825,176	\$855,000	+\$29,824
Diseases of animals	708,976	708,900	-76
Eradicating tuberculosis and Bang's disease:			
Direct appropriation	5,048,592	5,048,000	-592
Reappropriation	343,959	800,000	+456,041
Inspection and quarantine:	984,662	999,600	+14,938
Meat Inspection	7,800,689	7,800,000	-689
Virus Serum Toxin Act	243,435	243,400	-35
Total	15,955,489	16,454,900	+499,411
BUREAU OF DAIRY INDUSTRY			
(Salaries and expenses) ..	722,300	742,300	+20,000
BUREAU OF PLANT INDUSTRY, SOILS, AND AGRICULTURAL ENGINEERING (Salaries and expenses):			
Field crops	1,936,400	1,971,400	+35,000
Fruit, vegetable, and specialty crops	1,537,000	1,562,000	+25,000
Forest diseases	232,700	232,700	--
Soils, fertilizers, and irrigation	779,340	913,000	+133,660
Agricultural engineering	415,580	528,000	+112,420
National Arboretum	26,800	26,800	--
Total	4,927,820	5,233,900	+306,080
BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE:			
Salaries and expenses:			
Insect investigations ..	2,020,140	2,047,000	+26,860
Insect and plant disease control	2,225,835	2,225,800	-35
Foreign plant quaran- tines	820,107	1,027,000	+206,893
Total salaries and expenses	5,066,082	5,299,800	+233,718
Control of emergency out- breaks of insects and plant diseases	2,476,300	2,700,000	+223,700
Total	7,542,382	7,999,800	+457,418

1/ Figures adjusted for comparability on basis of appropriation set-up in the 1946 Budget estimates.

Item :	Appropriations, 1945 1/	Budget estimates, 1946	Increase (+) or decrease (-)
AGRICULTURAL RESEARCH			
ADMINISTRATION - Cont.			
BUREAU OF AGRICULTURAL AND INDUSTRIAL CHEMISTRY			
Salaries and expenses:			
Agricultural chemical investigations	\$326,171	\$335,000	+\$8,829
Naval stores investiga- tions	116,795	125,000	+8,205
Regional research laboratories	3,746,746	4,000,000	+253,254
Total	4,189,712	4,460,000	+270,288
BUREAU OF HUMAN NUTRITION AND HOME ECONOMICS:			
Salaries and expenses ...	722,350	850,000	+127,650
WHITE PINE BLISTER RUST CONTROL:			
Bureau of Entomology and Plant Quarantine	712,800	2,032,000	+1,319,200
Forest Service	1,040,320	1,840,300	+799,980
Department of the Interior.	170,747	377,700	+206,953
Total	1,923,867	4,250,000	+2,326,133
FOREST SERVICE:			
Salaries and expenses:			
General administrative ex- penses	542,275	542,000	-275
National forest protection and management	15,774,286	17,349,100	+1,574,814
Fighting forest fires	100,000	100,000	- -
Forest management	520,992	520,900	-92
Range investigations	250,000	250,000	- -
Forest products	1,001,380	1,228,900	+227,520
Forest resources investiga- tions	214,600	204,600	-10,000
Total, salaries and ex- penses	18,403,533	20,195,500	+1,791,967
Forest fire cooperation	6,265,120	7,300,000	+1,034,880
Farm and other private forestry cooperation	732,537	732,500	-37
Acquisition of lands for national forests	64,150	- -	-64,150
Payments to States and terri- tories from the national forest fund (permanent) ...	3,894,000	3,894,000	- -
Payments to school funds, Arizona and New Mexico, national forest fund (perma- nent)	38,476	38,476	- -
Roads and trails for States, national forest fund (permanent)	1,403,425	1,557,000	+153,575
Total	30,801,241	33,717,476	+2,916,235

1/ Figures adjusted for comparability on basis of appropriation set-up in the 1946 Budget estimates.

Item	Appropriations: 1945 1/	Budget estimates, 1946	Increase (+) or decrease (-)
FOREST ROADS AND TRAILS	\$3,619,106	\$10,133,000	+\$6,513,894
EMERGENCY RUBBER PROJECT (Re- appropriation in 1945 and 1946)	5,190,296	2/ 5,000,000	-190,296
WAR FOOD ADMINISTRATION (Salaries and expenses) ...	28,846,193	10,000,000	-18,846,193
COMMODITY CREDIT CORPORATION (Administrative expenses from Corporation funds) ...	[6,539,891]	[6,565,000]	[+25,109]
CONSERVATION AND USE OF AGRI- CULTURAL LAND RESOURCES:			
Direct appropriation (ex- cludes special seed item in 1945)	-288,881,855	147,000,000	-141,881,855
Special seed program ...	12,500,000	- -	-12,500,000
Transfer from 1946 Section 32 funds	- -	32,300,000	+32,300,000
Reappropriation from 1943, 1944, and 1945 Section 32 balances	- -	100,700,000	+100,700,000
Reappropriation from "Parity payments" balance	- -	10,000,000	+10,000,000
Total	301,381,855	290,000,000	-11,381,855
FEDERAL CROP INSURANCE ACT:			
Administrative and operating expenses (Reappropriation in 1945)	3/ 301,364	- -	-301,364
SOIL CONSERVATION SERVICE:			
Soil conservation research.	1,063,200	1,063,000	-200
Soil conservation operations:	24,375,300	28,636,800	+4,261,500
Erosion control, Everglades region, Florida	63,872	54,500	-9,372
Total	25,502,372	29,754,300	+4,251,928

- 1/ Figures adjusted for comparability on basis of appropriation set-up in the 1946 Budget estimates.
- 2/ Consists of proposed reappropriation of \$4,436,662 from 1942-1943 balances, and \$563,338 balance of 1944 appropriation available until expended.
- 3/ Does not include the \$3,000,000 made available by the Act of December 23, 1944, Public Law 551, which authorizes crop insurance commencing with wheat, cotton, and flax crops planted for harvest in 1945, and trial insurance on other crops. Provision for the fiscal year 1946 will be made in the form of a Budget amendment.

Item :	Appropriations: 1945 1/	Budget estimates, 1946	Increase (+) or decrease (-)
LAND UTILIZATION AND RETIRE- MENT OF SUBMARGINAL LAND (TITLE III, FARM TENANT ACT):	\$1,087,300	\$1,087,300	- -
Payments to counties from submarginal land program (permanent)	243,878	127,500	-\$116,378
EXPORTATION AND DOMESTIC CON- SUMPTION OF AGRICULTURAL COMMODITIES (Section 32 funds, 30% of customs re- ceipts, permanent appropria- tion)	118,740,783	113,000,000	-5,740,783
Less transfer to "Conserva- tion and Use of Agricul- tural Land Resources" ...	- -	-32,300,000	-32,300,000
Total available for Section 32 purposes ...	2/118,740,783	2/ 80,700,000	-38,040,783
SUGAR ACT	52,402,370	48,446,000	-3,956,370
MARKETING SERVICE:			
Market news service	1,114,943	1,114,900	-43
Market inspection of farm products	474,150	474,000	-150
Marketing farm products ...	388,250	388,000	-250
Tobacco Acts	812,530	1,000,000	+187,470
Perishable Agricultural Commodities, Produce Agency: and Standard Container Acts:	181,605	181,600	-5
Cotton Statistics, Classing, Standards and Futures Acts :	1,042,425	1,042,000	-425
United States Grain Stand- ards Act	741,000	741,000	- -
United States Warehouse Act :	464,115	507,000	+42,885
Federal Seed Act	102,473	102,400	-73
Packers and Stockyards Act. :	363,530	363,500	-30
Naval Stores Act	30,128	30,100	-28
Insecticide Act	186,800	186,800	- -
Commodity Exchange Act	300,000	400,000	+100,000
Freight rates for farm products	69,267	69,200	-67
Total	6,271,216	6,600,500	+329,284

- 1/ Figures adjusted for comparability on basis of appropriation set-up in the 1946 Budget estimates.
- 2/ 1945 Act and 1946 Budget estimate specifically authorize use of not to exceed \$50,000,000 for a school lunch and milk program.

Item	Appropriations: 1945 1/	Budget, estimates, 1946	Increase (+) or decrease (-)
LOANS, GRANTS, AND RURAL RE- HABILITATION:			
Appropriated funds	\$22,357,264	2/\$23,198,000	+\$840,736
Loans (RFC funds)	[67,500,000]	[125,000,000]	[+57,500,000]
FARM TENANCY (TITLE I, FARM TENANT ACT):			
Salaries and expenses	1,312,737	2,500,000	+1,187,263
Loans (RFC funds)	[15,000,000]	[50,000,000]	[+35,000,000]
WATER FACILITIES, ARID AND SEMIARID AREAS	994,741	1,000,000	+5,259
WATER CONSERVATION AND UTILIZATION PROJECTS	3/ - -	1,500,000	+1,500,000
FLOOD AND WINDSTORM LOANS AND GRANTS (Reappropriation in 1945)	4/ 12,748,960	- -	-12,748,960
RURAL ELECTRIFICATION ADMINIS- TRATION:			
Administrative expenses ...	2,849,301	3,400,000	+550,699
Loans (RFC funds)	[25,000,000]	[150,000,000]	[+125,000,000]

- 1/ Figures adjusted for comparability on basis of appropriation set-up in the 1946 Budget estimates.
- 2/ Includes \$198,000 reappropriation from the unobligated balance of the item "Flood and windstorm loans and grants," together with authority for servicing and collecting loans made during 1944 and 1945 under the latter item.
- 3/ Unobligated balance of \$1,298,821 is available in 1945 from transfers heretofore made to the Department from the appropriation "Water Conservation and Utility Projects, Department of Interior."
- 4/ Appropriated for fiscal year 1944 in Second Deficiency Act, 1943, for flood restoration loans; Public Law 307, 78th Congress, extended the availability of the fund to June 30, 1945, and authorized its use for flood and windstorm loans and grants.

Item	Appropriations: 1945 1/	Budget estimates, 1946	Increase (+) or decrease (-)
FARM CREDIT ADMINISTRATION:			
Salaries and expenses:			
Direct appropriation	\$551,267	\$526,000	-\$25,267
Transfer from farmers' crop production and harvesting loans	[3,839,877]	[3,845,209]	[+5,332]
Amounts chargeable against activities administered by FCA	[3,036,837]	[2,705,019]	[-331,818]
Farmers' crop production and harvesting loans (reappro- priation):			
Unobligated balances from prior years	12,362,712	5,821,232	-6,541,480
Estimated collections to be available	17,918,000	18,233,000	+315,000
Total	30,831,979	24,580,232	-6,251,747
FEDERAL FARM MORTGAGE CORPORATION:			
Administrative expenses from Corporation funds ..	[8,127,556]	[6,450,000]	[-1,677,556]
TOTAL APPROPRIATIONS AND REAPPROPRIATIONS (excluding estimated overtime costs) ..	721,968,276	653,137,968	-68,830,308
Estimated overtime costs on above	24,120,621	- -	-24,120,621
TOTAL APPROPRIATIONS AND REAPPROPRIATIONS	2746,088,897	653,137,968	-92,950,929

- 1/ Figure adjusted for comparability on basis of appropriation set-up in the 1946 Budget estimates.
- 2/ Includes the following amounts appropriated in the First Supplemental Appropriation Act, 1945: Extension Service, \$37,000; Penalty mail, (Sec. 2, Public Law 364), \$3,161,650; Rural Electrification Administration, \$696,000; Bureau of Plant Industry, Soils, and Agricultural Engineering, \$83,000; Bureau of Entomology and Plant Quarantine, \$127,000; Office of Information, \$8,002; Library, \$6,938; and Bureau of Agricultural Economics, \$235,000. Also includes \$596,000 appropriated for Forest Service in the Second Deficiency Appropriation Act, 1941, and excludes \$20,000,000 appropriated on calendar year basis for farm labor program, since no estimate for this item is included in the 1946 estimates.

Item	Appropriations: 1945 1/	Budget estimates, 1946	Increase (+) or decrease (-)
DEDUCT REAPPROPRIATIONS IN- CLUDED IN FOREGOING:			
Bureau of Animal Industry:			
Eradicating tuberculosis and Bang's disease	\$343,959	\$800,000	+\$456,041
Emergency rubber project..	5,190,296	5,000,000	-190,296
Conservation and use of agricultural land resources:		110,700,000	+110,700,000
Federal Crop Insurance Act (Administrative and operat- ing expenses)	301,364	- -	-301,364
Flood and windstorm loans and grants	12,748,960	- -	-12,748,960
Loans, grants, and rural rehabilitation	- -	198,000	+198,000
Farm Credit Administration:			
Farmers' crop production and harvesting loans:			
Unobligated balances from prior years	12,362,712	5,821,232	-6,541,480
Estimated collections to be available	17,918,000	18,233,000	+315,000
Estimated overtime costs on: above items	381,926	- -	-381,926
Total deductions, as above	49,247,217	140,752,232	+91,505,015
TOTAL, DIRECT APPROPRIATIONS	2/696,841,680	512,385,736	-184,455,944

1/ Figures adjusted for comparability on basis of appropriation set-up in the 1946 Budget estimates.

2/ Includes the following amounts appropriated in the First Supplemental Appropriation Act, 1945: Extension Service, \$37,000; Penalty mail (Sec. 2, Public Law 364), \$3,161,650; Rural Electrification Adminis-
tration, \$696,000; Bureau of Plant Industry, Soils, and Agricultural Engineering, \$83,000; Bureau of Entomology and Plant Quarantine, \$127,000; Office of Information, \$8,002; Library, \$6,938; and Bureau of Agricultural Economics, \$235,000. Also includes \$596,000 appro-
priated for Forest Service in the Second Deficiency Appropriation Act, 1944, and excludes \$20,000,000 appropriated on calendar year basis for farm labor program, since no estimate for this item is included in the 1946 estimates.

RFC Borrowing Authorizations and Corporate Administrative Expenses

[Listed above, but not included in totals]

Item	Appropriations:	Budget	Increase (+)
	1945 1/	estimates, 1946	or decrease (-)
Rural rehabilitation loans..	\$67,500,000	\$125,000,000	+\$57,500,000
Farm tenancy loans	15,000,000	50,000,000	+35,000,000
Rural electrification loans.	25,000,000	150,000,000	+125,000,000
TOTAL, BORROWINGS AUTHORIZED			
FROM RFC	107,500,000	325,000,000	+217,500,000
Commodity Credit Corporation	6,539,891	6,565,000	+25,109
Estimated overtime cost ...	668,635	- -	-668,635
	7,208,526	6,565,000	-643,526
Federal Farm Mortgage			
Corporation	8,127,556	6,450,000	-1,677,556
Estimated overtime cost ..	72,444	- -	-72,444
TOTAL, ADMINISTRATIVE EX-			
PENSE AUTHORIZATIONS	15,408,526	13,015,000	-2,393,526

Trust Funds

Cooperative work, Forest			
Service	1,689,713	2,000,000	+310,287
Agricultural Adjustment			
Agency:			
Moisture content and grade			
determinations for Com-			
modity Credit Corporation	1,000,000	1,000,000	- -
Indemnity fund, county			
associations	15,000	- -	-15,000
Undistributed cotton price-			
adjustment payments	2,000	1,000	-1,000
Office of Distribution:			
Expenses and refunds, inspec-			
tion and grading of farm			
products	4,396,520	4,400,000	+3,480
Grading of agricultural			
commodities for Commodity			
Credit Corporation	432,034	623,168	+191,134
Farm Security Administration:			
Payments in lieu of taxes			
and for operation and			
maintenance of resettlement			
projects	438,559	150,000	-288,559
State rural rehabilitation			
corporation funds	5,937,698	5,000,000	-937,698
Liquidation of deposits,			
reserve for maintenance			
and repair, lease and			
purchase agreements	200	50	-150

1/ Figures adjusted for comparability on basis of appropriation set-up in the 1946 Budget estimates.

Item	Appropriations:	Budget	Increase (+)
	1945	estimates,	or
	1/	1946	decrease (-)
<u>Trust Funds - Cont.</u>			
Farm Security Administration:-	:	:	:
Cont.	:	:	:
Liquidation of deposits,	:	:	:
lease and purchase con-	:	:	:
tracts	\$154,000	\$120,000	-\$34,000
Return of excess deposits for:	:	:	:
reproductions of photographs:	:	:	:
mosaics, and maps	750	750	- -
Miscellaneous contributed	:	:	:
funds	125,000	100,000	-25,000
Unearned fees and other	:	:	:
charges, unclaimed moneys,	:	:	:
etc.	100	100	- -
Estimated overtime costs on	:	:	:
above items	1,246,476	- -	-1,246,476
TOTAL, TRUST ACCOUNTS	15,438,050	13,395,068	-2,042,982

1/ Figures adjusted for comparability on basis of appropriation set-up in the 1946 Budget estimates.

Prepared by: Office of Budget and Finance
Division of Estimates and Allotments
Estimates Section
January 20, 1945

OFFICE OF THE SECRETARY

(a) Salaries and Expenses

Appropriation Act, 1945	\$1,700,000
Transfers, 1945, from other appropriations (as shown in detail on next page)	+187,390
Total available, 1945	1,887,390
Budget estimate, 1946:	
Direct appropriation	\$1,467,000
Transfers, 1946, from other appropriations (as shown in detail on next page)	+131,390
Total available, 1946	1,598,390
Change for 1946:	
Overtime decrease	-252,150
Other decrease (direct appropriation, \$817, and WFA transfer, \$36,033) ..	-36,850
	<u>-289,000</u>

PROJECT STATEMENT

Project	1944	1945 (estimated)	1946 (estimated)	Increase or decrease
1. General administration : (including offices of : the Secretary, Under : Secretary, and Assistant : Secretary)	\$211,069	\$211,849	\$211,733	-\$116(1)
2. Personnel administra- : tion and service (includ- : ing divisions of classi- : fication, employment, : training, organization : and personnel management, : investigations, and per- : sonnel relations and : safety)	480,989	494,130	476,374	-17,756(2)
3. Budgetary and financial : administration and ser- : vice (including divisions : of accounting, estimates : and allotments, fiscal : management, purchase, : sales and traffic, and : bureau accounting ser- : vice)	486,341	515,892	500,344	-15,548(3)

PROJECT STATEMENT (CONTINUED)

Project	1944	1945 (estimated)	1946 (estimated)	Increase or decrease
4. General operations (in- cluding divisions of com- munications, real estate, equipment and engineer- ing services, adminis- trative services, and administration of cen- tral working capital fund services)	\$357,522:	\$413,369:	\$409,939:	-\$3,430(4)
5. Overtime costs	236,852:	252,150:	- -:	-252,150
Unobligated balance	79,315:	- -:	- -:	- -
Total available	1,852,088:	1,887,390:	1,598,390:	-289,000
Transferred from:				
"Salaries and expenses, War Food Administra- tion, Department of Agriculture"	-136,150:	-126,000:	-70,000:	
"Administrative expenses, Commodity Credit Cor- poration, Department of Agriculture"	-61,390:	-61,390:	-61,390:	
"Special research fund, Department of Agri- culture"	-1,920:	- -:	- -:	
"Flood control, general (transfer to Agricul- ture)"	-934:	- -:	- -:	
"Removal and reestab- lishment of Arlington Farm, Va. (transfer to Agriculture)"	-3,510:	- -:	- -:	
Total estimate or appropriation	1,648,184:	1,700,000:	1,467,000:	

DECREASES

The decrease of \$289,000 in total funds available under this item for 1946 consists of the \$252,150 decrease for overtime, and the following:

- (1) A decrease of \$116 under the project for "General administration," which will be met by a curtailment in general expenses.
- (2) A decrease of \$17,756 under the project for "Personnel administration and service," consisting of \$236 applicable to the direct appropriation and \$17,520 under the proposed transfer from "Salaries and expenses, War Food Administration." The decrease will be accomplished by a general curtailment in expenditures for personnel management activities.

- (3) A decrease of \$15,548 under the project for "Budgetary and financial administration and service," consisting of \$255 applicable to the direct appropriation, and \$15,293 under the proposed transfer from "Salaries and expenses, War Food Administration." The decrease will be effected by reducing expenditures for personal services and other expenses, principally for accounting and budget functions which the Office of Budget and Finance performs for the Office of the War Food Administrator.
- (4) A decrease of \$3,430 under the project for "General operations," consisting of \$210 applicable to the direct appropriation, and \$3,220 under the proposed transfer from "Salaries and expenses, War Food Administration." The decrease will be effected by a reduction in expenditures for personal services and general expenses.

CHANGES IN LANGUAGE

The estimates include three proposed deletions of language (matter enclosed with brackets) relating to (1) delegation of authority by the Secretary to expend contingent funds appropriated to the Department, (2) authorization to contract for stenographic reporting services, and (3) the authorization permitting employees of the Department stationed abroad to enter into leases for official quarters, and to pay rent and other charges, in advance, in any foreign country where custom or practice requires such advance payment. These authorities are now contained in the Department of Agriculture Organic Act of 1944, approved September 21, 1944 (Public Law 425), and their retention in the annual appropriation act is, therefore, unnecessary.

WORK UNDER THIS APPROPRIATION

The staff offices financed under this appropriation exercise general supervision over the personnel, fiscal, housing, and other operational services of the Department, coordinates and integrates the programs of the various bureaus and renders central administrative services to the Department as a whole. These offices are financed primarily by the appropriation "Salaries and expenses, Office of the Secretary", and by transfers, as shown in the Budget schedules, from funds which, because of their nature, are not susceptible of consolidation with the direct appropriation.

Supervision and control of the Department's activities is necessary, including the recruiting and training of personnel to execute its many complex functions, the securing of and proper accounting for funds to insure economical and efficient program execution, the maintenance of communication services, the adequate housing of activities, the procurement, conservation and proper utilization of equipment, and the efficient, economical and businesslike administration of the affairs of the Department.

For effective administration, these activities are organized into the following groups:

(1) General administration: This item includes the immediate Offices of the Secretary, Under Secretary and Assistant Secretary together with their respective executive staffs. These Offices are responsible, at the highest level, for the conduct of the Department's activities under their jurisdiction.

Wartime conditions multiply the problems and policy questions which must be brought to the general administrative officers of the Department for decision. It is essential that these officers have available an adequate immediate staff to assist them in securing and coordinating the information upon which determinations must be based. The general administrative officers of the Department likewise have primary responsibility for relations with Congress, with other agencies of government, and with the public. In the form both of personal discussions and correspondence, these relationships absorb a large portion of the time of the general administrative staff.

The Secretary and his immediate staff have been concerned with the dangers inherent in a land boom during the war, with its inevitably disastrous consequences when peace comes. Developments in the farm real estate market have been followed closely. Through extensive educational work, land buyers have been cautioned to avoid paying inflated prices and lending agencies have been asked to hold land purchase loans to non-inflationary levels.

The war has had far-reaching effects upon American agriculture, and we are facing a period of many difficult readjustments. One of the most important of these has been the widespread movement of farm people to the armed forces and to war industries. Many of these will want to return to the farm, and for the veterans in particular we have an obligation to assist in their readjustment to rural civilian life. The Veteran's Administration has delegated to the Department responsibility for the agricultural phases of the G. I. Bill, and the Assistant Secretary has taken the leadership in working out arrangements for assisting returning veterans to secure adequate financing and necessary guidance in acquiring farms and getting a new start in agriculture.

The consistently high levels of production during the war years have been achieved only through major shifts in the crops produced, long hours of labor, and heavy use of existing resources. It is essential to orderly reconversion in agriculture, as in other phases of our national life, that we not be unprepared for peace. Thus the Secretary and other administrative officers of the Department have given considerable attention to the problems of postwar agricultural adjustment and other phases of reconversion. These include the restoration and conservation of our soil and forestry resources. The improvement of rural living standards for farm people through extending rural electrification and encouraging the use of electrical appliances on the farm is another major objective when such work can be resumed. Attention is being given to greatly needed improvements in rural housing conditions and in standards of rural medical care. Proposals for meeting these and similar problems after the war have been presented to committees of Congress at their request.

These activities merely illustrate the work which is currently being carried on as part of the general administration of the Department.

The general staff services continue to be used by the entire Department, including the War Food Administration.

(2) Personnel administration and service: The primary objective of the Office of Personnel is to recruit, train, and maintain a staff of qualified and efficient workers for the Department and the War Food Administration, and to encourage proper organization and management in order to obtain maximum use of their abilities. Accomplishment of this objective involves administration in the field of recruitment, placement, leave, separation, retirement, position classification, compensation, wage and salary stabilization, efficiency ratings, techniques of organization and personnel management, the issuance of rules and regulations, interpretation of personnel legislation and numerous Civil Service Commission and War Manpower Commission directives, safety, counseling, grievances, race relations, health and first-aid, collaboration with colleges and universities, training in office skills, supervision improvement, work improvement, and investigation of cases involving misconduct or delinquencies.

The fiscal year 1944 has brought increasing responsibilities of leadership, direction and coordination as a result of new and continuing problems associated with the war. The Government's manpower problem and the adjustment of its personnel policy in line with national needs continues to require many administrative adjustments in order to give effect to new rules, regulations, and procedures, and the amendment of many of those already in existence. Some of the legislative and executive regulations which increased the administrative activity of the Office of Personnel during the year are listed below:

(a) Civil Service Commission Departmental Circular No. 361, Revision No. 2, dated September 4, 1943, regarding regulations in cases involving violation of Section 1, Civil Service Rule I.

(b) Secretary's Memorandum No. 1088, dated May 6, 1943, regarding the fixing of wage rates for employees whose positions are not classified.

(c) Public Law 346, 78th Congress, 2d Session, approved June 22, 1944--providing Federal Government aid for the readjustment in civilian life of returning World War II veterans.

(d) Civil Service Commission Departmental Circular No. 483, Supplement I, dated July 18, and Supplement 2, dated July 20, 1944--Personnel Adjustment of Returning Veterans.

(e) Civil Service Commission Departmental Circular No. 493, dated July 3, 1944--War Service Regulations (revised).

(f) Public Law 359, 78th Congress, 2d Session, approved June 27, 1944--Veteran's Preference Act of 1944.

(g) Civil Service Commission Departmental Circular No. 550, dated August 5, 1944--Reduction in Force Procedures.

(h) President's letter dated February 26, 1944--Special emphasis on placement of veterans who are available in vacancies in the Federal service.

(i) Civil Service Commission Departmental Circular No. 483, dated April 21, 1944--Rights of former Federal employees returning from military service, and the obligations of the Federal Government as an employer.

(j) Civil Service Commission Departmental Circular No. 467, dated February 3, 1944--Utilization and Recruiting of Stenographers and Typists for Washington, D. C.

The loss of experienced personnel and the effect of past reductions in funds with which to carry on the work has contributed to the difficulty of the circumstances under which the Office of Personnel carries out its responsibility for leadership.

The war has resulted in a substantial personnel turnover in the Department. During the fiscal year 1944, the Department has carried further its delegation of authority to permit prompt action in coping with rapid changes in personnel. The effect of delegation of authority and decentralization of functions has been to shift to officials close to the operating unit the responsibility for review and processing of personnel actions. However, in order to assure the proper administration of delegated authority, control has been provided by post reviews. Representatives of the Office of Personnel have visited field offices for this specific purpose, and for the broad purpose of reviewing the general competence of personnel administration in the Department of Agriculture. During the year 1944, field reviews were made at 47 field employment offices. Also, 6,600 major personnel actions were reviewed and approved and 35,000 personnel actions were audited. Altogether, 50,000 personnel actions were processed, and 180,000 actions were filed.

An important part of the responsibility of the Office of Personnel is development and maintenance of proper organization which is basic to adequate position classification and efficient utilization of employees. During the past year, 257 organization changes were reviewed, 7 major surveys made, and over 50 analyses involving problems of personnel management were completed. In response to the urgent need for the most effective utilization of employee skills the Office of Personnel has shared responsibility for a Department-wide program for better management and better use of personnel.

As a means of better utilizing employees and to compensate for shortage of workers, the Office of Personnel has had the most active year in its history in training employees at all levels in work improvement. Forty-seven work improvement institutes and 351 job instruction, job methods and job relations training sessions have been held. Growing attention is being given to retraining employees returning from the armed forces.

Employee relations activity has continued to increase. Long hours of work under high pressure in crowded conditions, lack of adequate housing, transportation and similar difficulties have added to the need for

employee services and employee counselors. In addition to 550 employee relation interviews, many grievance and efficiency rating appeals were reviewed.

The necessity for maintenance of health and efficiency of employees constitutes a matter of growing concern. Although no medical officer has been available, efforts have been made to promote employee health and to utilize the facilities of the U. S. Public Health Service. During the last year, 314 cases were referred to the U. S. Public Health Service; 75 visits were made to the homes of sick employees; 310 cases required health counseling.

The position classification workload continues to be very heavy and the delegation of classification authority to the bureaus is now under way.

Delegation of authority to bureaus to take certain disciplinary actions has been made to expedite the handling of special cases and to impose penalties more promptly after offenses occur.

Rapid changes in procedures and the increasing importance of the personnel problem in terms of the whole problem of administration has required increasing attention to coordination within the Department and to liaison with other agencies outside the Department.

(3) Budgetary and financial administration and service: The Office of Budget and Finance, acting as a staff agency for the Secretary of Agriculture and the War Food Administrator, exercises general supervision over the budgetary and financial affairs of the Department; including the preparation, coordination, evaluation and revision of budget estimates; the acquisition, allotment and apportionment of funds; and the accounting, auditing, fiscal management, purchasing, warehousing, and related activities involved in the financial management of the Department.

The Office acts as advisor to the Secretary of Agriculture and the War Food Administrator; formulates and promulgates departmental budgetary and financial policies and procedures; reviews the budgetary and financial aspects of program proposals, changes in the Department's regulations, etc., as they arise during the year; and, under delegations of authority from the Secretary and the War Food Administrator, approves certain types of fiscal transactions, allotments, authorizations, certifications, requisitions for disbursing funds, etc.

In cooperation with the other staff offices and with the program agencies, the Office develops improvements, in the interest of economy and efficiency, in the management and operations of the Department's activities. The Office is called upon to assist in the solution of a continuous flow of administrative and fiscal problems, each needing analysis and decision and requiring close collaboration with officials of bureaus and program agencies. A budgetary project system is maintained covering the activities of the Department.

The Office represents the Department and acts as general agent of the Secretary of Agriculture and the War Food Administrator on budgetary, fiscal, purchasing and related matters. It is the central point of contact with the Budget Bureau, the General Accounting Office, the Treasury Department, the Congressional Committees on Appropriations and other agencies concerned with the finances of the Department. Numerous reports concerning the work and finances of the Department are rendered in response to requests from the Budget Bureau, Congressional Committees, Members of Congress, other governmental agencies and outside organizations and individuals.

The Office also performs direct budgetary, fiscal, accounting and auditing services for certain agencies in the Department, where such functions can be rendered more advantageously or economically at a central point.

The Office operates through four functional divisions--(1) The Division of Estimates and Allotments, (which includes the following sections: Estimates, Allotments and Apportionments, Budgetary Reports and Statistics, Legislative Reports and Service, and Special Projects); (2) the Division of Accounting, (which includes the following sections: Departmental Accounts, Bureau Accounting Service, Fiscal Examining, and Claims and Authorizations); (3) the Division of Purchase, Sales and Traffic, (which includes a Management Section and a Contract Section); (4) the Division of Fiscal Management--and through a small staff of budget and fiscal examiners who maintain direct, day-to-day contact with the work and expenditures of the principal operating, or program, agencies of the Department. At the present time the work of the Office with respect to fiscal management, financial reporting, corporate accounting, the audit function, etc., is being reorganized, to provide for more effective service. A more detailed statement of the organization, functions and staffing of the Office appears in Budget and Finance Circular 749 and supplementary statements, copies of which have been filed with the Clerk of the House Subcommittee on Appropriations.

The general objective of the Office is to see that budgetary and fiscal administration is maintained throughout the Department in such a way as to render effective assistance in the general management of the Department and in each of its organizational units, particularly with respect to such matters as the following which are of primary concern to every administrator:

(a) Planning the program of work (the budget-building process--formulation and preparation of the estimates, evaluating requests for funds, determining the elements to comprise the budget program and the amounts necessary for each, etc.)

(b) Financing the program of work (justifying the estimates before the Budget Bureau and the Congressional Appropriation Committees; dealing with the Treasury Department and the General Accounting Office with respect to the warrant of funds, the requisitioning of cash, etc.; arranging for special forms of financing as authorized for loans, corporation activities; the allotment of funds, etc.)

(c) Assuring effective and economical program execution (financial and expenditure reporting and control, through allotments, apportionments, etc., and developing improved procedures, management methods, efficiency and economy measures; grouping of functions, etc.)

(d) Accounting for the proper expenditure of public funds (assuring that funds are expended in accordance with applicable governmental requirements and for the purposes for which they are made available, detailed expenditure control through the auditing and accounting processes, etc.)

(e) Measuring, evaluating and reporting upon the effectiveness of the program of work in the light of past, current, and proposed expenditures (budgetary evaluations and justifications, activity and financial reporting, development of measurable work standards and similar criteria, etc.)

(4) General operations: During the fiscal year 1944, the activities and programs of the Office of Plant and Operations continued to be geared to the tempo of the total war effort. This has required an acute sensitiveness to and flexibility in meeting the day-to-day problems, not only from the standpoint of intra-departmental needs, but also the impact of governmental programs occasioned both by the war and the desire for better management in Government.

The program of property conservation and utilization in Government is being actively prosecuted in Agriculture. Every effort is being made to stimulate active interest and participation in more efficient management of the Department's equipment resources. Particularly significant during the fiscal year 1944 is the result of our decentralized property utilization program. Intra-departmental transfers of property valued at \$233,689 were accomplished during the fiscal year, and during the same period the transfer to the Procurement Division, Treasury Department, of surplus property valued at \$1,063,221 was effected. It is thus apparent that the programs and activities of the Area Agriculture Equipment Committees have been attended with gratifying success both from the standpoint of more adequate utilization of property and the recognition of the need for better internal management by releasing, for use by other agencies of Government, property not presently needed. Our decentralized method of handling surplus property has enabled us to coordinate our operations with the decentralized programs of the disposal agencies and has greatly facilitated the problem of property management in Agriculture.

The mileage administration program was productive of equally successful results during the fiscal year 1944. The miles traveled in all types of automotive vehicles, both Government-owned and privately owned on a

mileage basis, totaled 98% of the mileage budget established for the year, and represents a reduction of 40% below the miles traveled in 1941. Particularly significant is the fact that this reduction has been accomplished without segregating miles traveled on strictly war activities having no counterpart in 1941. Excluding such activities from the 1944 performance total, the Department has accomplished mileage savings considerably in excess of the 40% requested by the President.

The records management program has been prosecuted vigorously during the year. Twenty surveys were conducted and recommendations made for the installation of practices designed to achieve departmental uniformity in records operations. At the present time, more than half of the bureaus and agencies of the Department and War Food Administration are operating under recommended uniform practices.

The records disposition program, likewise, has been actively pursued. Sixty-six requests involving 1,783 units of records were processed to The National Archives for disposal authorization. Approximately 3,045 cubic feet of records were transferred to the custody of the Archives. While complete data is not available on the disposition of old records, it is estimated that more than 1,000 tons of such material has been appropriately disposed of. In order to stimulate interest in the disposition of useless records in Washington, there has been established in the sub-basement of the Department's South Building a central "Agriculture Records Depository" to accommodate records which are not quite ready for transfer to The National Archives or for other disposition. Through the removal from active files of this type of material and its transfer to the central depository pending disposition, a substantial savings in equipment and space has been effected.

During the fiscal year 1944, the Real Estate Division continued its work of providing for the adequate housing of the Department and War Food Administration activities, both in Washington and the field. The space problem in Washington has continued acute due to the nonavailability of commercial or Government-owned space and the necessity for meeting the impact of varying activities related to the war effort. Expansion of the activities of the Bureau of Internal Revenue under recent tax legislation resulted in the relinquishment of space in Federal Buildings by many agencies of the Department and the War Food Administration. This has tended to aggravate further the already acute housing problem in the field because of the absence of commercial space generally throughout the country.

Further decentralization was made in leasing operations by the delegation of field authority to the Office of Distribution and the Office of Labor. Instruction classes in leasing procedure were conducted by the Real Estate Division for field personnel of the Office of Distribution and procedure manuals were developed for both offices.

Plans were completed during the year for a functional reorganization of the space in the South Building whereby various operating units in scattered locations were brought into closer proximity to their supervisory

offices, thereby increasing efficiency of operation.

Through consolidation and rearrangement of its plant and equipment, the Photographic and Duplicating Services Division has been able to produce finished work for the Department and War Food Administration at a considerable reduction in cost, notwithstanding a general lowering of efficiency level due to the loss of experienced personnel and an increase in the cost of materials used in photographic and duplicating processes.

The Office of Plant and Operations continued to serve as coordinator of the Department's cartographic and aerial photographic activities. Departmental facilities were utilized to a great extent by the War Department in its foreign and domestic mapping operations, including the delineation and compilation of topographic and planimetric maps, aeronautical approach charts, target charts, flight charts, photomosaics for Link trainer operations, photographic aerial reproductions, etc. All of this work was by special assignment and of a highly technical and confidential nature. This Office also served as liaison with the appropriate branches of the War and Navy Departments and other Federal agencies engaged in similar work, and with the Bureau of the Budget on surveying and mapping activities. Late in the year a highly important assignment was accepted from the Hydrographic Office of the Navy Department to photogrammetrically map and compile from Navy aerial photographs maps of certain strategic areas. The domestic topographic assignment, embracing 12,923 square miles along the eastern and western coastal areas, was completed on June 30, 1944. The combined estimated expenditures of the Department on map and chart making and graphic representation during the fiscal year amounted to \$2,644,371. of which \$1,614,125 represented reimbursements for work performed or direct allotments from war agencies.

The established relationship with the Military Intelligence Service of the War Department and the Office of Naval Intelligence of the Navy Department was carefully maintained through direct contact with the Washington offices of these Departments, as well as with the commanding officers of the various defense commands. Proper clearance for the initiation of aerial photographic projects and the sale, distribution, classification and protection of photographic reproductions was obtained before any material was approved for release or work permitted to commence.

(b) Working Capital Fund, Department of Agriculture

The working capital fund is a "no-year" operating fund of \$400,000 established in the 1944 Appropriation Act to pay the operating costs of certain centralized service organizations pending the receipt of reimbursements for such costs from the serviced bureaus and agencies. The integrity of the original appropriation is maintained from year to year by means of these reimbursements, and an appropriation in 1946 is, therefore, unnecessary.

A separate schedule of expenditures and reimbursements and a statement of assets and liabilities of the working capital fund as of June 30, 1944, is printed in the Budget schedules for the fiscal year 1946. (Pages 12-14 of the Subcommittee Print).

(c) Working Funds (Office of the Secretary)

This budget schedule covers obligations under advances pursuant to Section 601 of the Economy Act of June 30, 1932, from the War and Navy Departments for expenses of coordinating and supervising strategic area map production work performed by various agencies of the Department of Agriculture for the War and Navy Departments.

STATEMENT OF OBLIGATIONS UNDER SUPPLEMENTAL FUNDS
(1944 and 1945 figures include overtime costs).

Item	Obligations, 1944	Estimated obligations, 1945	Estimated obligations, 1946
Working Funds (Office of the Secretary): Advances from War and Navy Departments: For coordination and supervision of strategic area map production	\$7,735:	\$6,134:	- -
Supply and Distribution of Farm Labor: Accounting services for certain allotments of farm labor program funds 1/	7,994:	8,983:	- -
Total, Obligations under Supplemental Funds	15,729:	15,117:	- -

1/ Allotment from funds appropriated on a calendar year basis for the farm labor supply program in a separate act. Present funds are available for calendar year 1945, but no amount is shown in 1946 column since no distribution of obligations is shown in the 1946 column of the Budget.

PASSENGER-CARRYING VEHICLES

The passenger-carrying vehicle schedule under the Office of the Secretary provides for continuation of the authority to operate 4 passenger-carrying vehicles. These cars are used by the Office of the Secretary, and for the general utility needs of the Department, one being specifically assigned to the Forest Service. The authority to purchase 1 passenger-carrying vehicle, as continued in the estimates, does not contemplate an increase in the total of 4 cars authorized to be operated, but is to cover replacement of one of the over-age cars now in use, when such action is required.

COST OF HANDLING PENALTY MAIL, DEPARTMENT OF AGRICULTURE (1)

(Section 2, Public Law 364, approved June 28, 1944)

This estimate is submitted pursuant to the provisions of section 2(c) of Public Law 364, approved June 28, 1944, which provides that each department, agency and establishment of the Government, except the Post Office, War and Navy Departments, beginning with the fiscal year 1945, shall include in its estimates of appropriations an amount representing the anticipated cost to the Post Office Department of handling the penalty mail of such department, agency, or establishment. Section 2(d) requires payments to be made into the general fund of the Treasury; from appropriations available for the purpose, an amount equivalent to the costs of handling such penalty mail.

The First Supplemental Appropriation Act, 1945, appropriated \$3,161,650 for this purpose for the fiscal year 1945, and authorized the use of not to exceed \$26,085 of the administrative expense funds of the Commodity Credit Corporation. The 1946 Budget estimate provides \$3,478,000 in appropriated funds and authorizes not to exceed \$30,000 of the administrative expense funds of the Commodity Credit Corporation.

The Department's Organic Act of 1862 provides that:

"There shall be at the seat of government a Department of Agriculture, the general design and duties of which shall be to acquire and to diffuse among the people of the United States useful information on subjects connected with agriculture, in the most general and comprehensive sense of the word, * * *."

Fulfillment of the objectives of agricultural programs authorized by this Act, and subsequent legislation authorizing cooperative agricultural extension work, national forestry protection and administration, marketing and regulatory services, etc., requires the dissemination annually of substantial numbers of farmers' bulletins, crop and livestock reports, crop reporting schedules, market news reports, technical publications, maps, etc. The transfer to the Department of such agencies as the Farm Credit Administration, Commodity Credit Corporation, the Rural Electrification Administration, and others, and the enactment of such legislation as the Agricultural Adjustment and Soil Conservation and Domestic Allotment Acts, the Sugar Act and the Bankhead-Jones Farm Tenant Act have placed additional responsibilities upon the Department, requiring substantial mailings of billings on loans, notices to farmers, operating reports and forms, etc. Also involved are the regular operational and administrative mailings necessary in the conduct of the Department's business, and correspondence with individual farmers and other groups interested in and affected by agricultural programs.

(1) Note: For the information of the Committee, individual justification statements for the mailings of each of the bureaus and agencies of the Department are provided at the end of each agency's section of the Explanatory Notes. To facilitate consideration of the estimates, it is suggested that questions which the Committee may have relating thereto be directed to the representatives of each bureau as they appear before the Committee to explain the estimate for their respective work programs.

Since the estimate provides for costs of handling penalty mail for all bureaus and offices of the Department, including the War Food Administration, affected by sections 2(c) and (d) of Public Law 364, the funds are allotted to the organizations of the Department. Further experience in operating under the law since the Budget document was printed has indicated the need for revisions (within the total funds appropriated and estimated) in the amounts estimated for the various individual agencies, and the following table indicates the present estimated distribution. In view of the limited experience to date under the new Act, further adjustments may be necessary, from time to time, as the exigencies of the services may require to the end that the best utilization may be had of the total funds available.

TABLE I

Bureau or Agency	1945	1946 Estimate	Change from 1945
Office of the Secretary	\$3,600:	\$3,600:	- -
Office of Solicitor	1,637:	2,500:	+863
Office of Information	63,450:	63,450:	- -
Library	2,525:	2,835:	+310
Bureau of Agricultural Economics	250,300:	294,000:	+43,700
Office of Foreign Agricultural Relations.	1,236:	1,747:	+511
Extension Service	832,500:	900,000:	+67,500
Agricultural Research Administration:			
Office of Administrator	426:	426:	- -
Office of Experiment Stations	583:	630:	+47
Bureau of Animal Industry	20,540:	22,530:	+1,990
Bureau of Dairy Industry	1,102:	1,742:	+640
Bureau of Plant Industry, Soils and			
Agricultural Engineering	8,167:	9,100:	+933
Bureau of Entomology and Plant Quarantine:	13,230:	16,000:	+2,770
Bureau of Agricultural and Industrial			
Chemistry	2,899:	3,689:	+790
Bureau of Human Nutrition and Home			
Economics	1,104:	1,665:	+561
Forest Service	35,824:	42,668:	+6,844
Office of Administrator, War Food Admin..	1,460:	1,460:	- -
Office of Production	1,775:	1,775:	- -
Office of Materials and Facilities	1,332:	1,332:	- -
Office of Labor	5,454:	5,405:	-49
Agricultural Adjustment Agency	1,035,625:	1,125,000:	+89,375
Federal Crop Insurance Corporation	458:	398:	-60
Soil Conservation Service	40,845:	49,103:	+8,258
Office of Distribution	563,082:	660,095:	+97,013
Farm Security Administration	128,603:	146,910:	+18,307
Rural Electrification Administration	9,255:	14,400:	+5,145
Farm Credit Administration	88,298:	105,540:	+17,242
Commodity Credit Corporation	26,085:	30,000:	+3,915
Reserve for Emergencies	46,340:	- -:	-46,340
Total	3,187,735:	3,508,000:	+320,265
Deduct amount included for Commodity Credit:			
Corporation	26,085:	30,000:	3,915
Total estimate or appropriation	3,161,650:	3,478,000:	+316,350

The estimate for 1946 may be broken down into two major categories of mailings as follows:

TABLE II

Bureau or Agency	Category 1		Category 2	
	Farmers' bulletins, market and crop reports, leaflets, technical and other publications (printed or processed)		Billings on loans, crop reporting schedules, notices to farmers, correspondence and regulations and other operational and administrative mailings	
Office of Secretary	- -		\$3,600:	\$3,600
Office of Solicitor	- -		2,500:	2,500
Office of Information	61,940:		1,510:	63,450
Library	315:		2,520:	2,835
Bureau of Agricultural Economics	145,000:		149,000:	294,000
Office of Foreign Agricultural Relations:	1,481:		266:	1,747
Extension Service	300,000:		600,000:	900,000
Agricultural Research Administration:	:		:	:
Office of Administrator	15:		411:	426
Office of Experiment Stations	400:		230:	630
Bureau of Animal Industry	267:		22,263:	22,530
Bureau of Dairy Industry	1,050:		692:	1,742
Bureau of Plant Industry, Soils and Agricultural Engineering	2,500:		6,600:	9,100
Bureau of Entomology and Plant Quarantine	2,700:		13,300:	16,000
Bureau of Agricultural and Industrial Chemistry	1,027:		2,662:	3,689
Bureau of Human Nutrition and Home Economics	120:		1,545:	1,665
Forest Service	5,100:		37,568:	42,668
Office of Administrator, War Food Admin.:	- -		1,460:	1,460
Office of Production	- -		1,775:	1,775
Office of Materials and Facilities:	- -		1,332:	1,332
Office of Labor	- -		5,405:	5,405
Agricultural Adjustment Agency	9,000:		1,116,000:	1,125,000
Federal Crop Insurance Corporation:	- -		398:	398
Soil Conservation Service	3,703:		45,400:	49,103
Office of Distribution	406,870:		253,225:	660,095
Farm Security Administration	5,459:		141,451:	146,910
Rural Electrification Administration ..:	8,600:		5,800:	14,400
Farm Credit Administration	3,613:		101,927:	105,540
Commodity Credit Corporation a/	- -		30,000:	30,000
Total estimate, 1946	959,160:		2,548,840:	3,508,000

a/ The estimates propose that costs of Commodity Credit Corporation mailings be financed from its administrative expense authorization from Corporation funds.

CHANGE IN LANGUAGE

The estimates include the following proposed change in the language of this item (new language underscored, deleted matter enclosed with brackets):

[Penalty mail costs, 1945--For the Department of Agriculture, including the War Food Administration, \$3,161,650, together with not to exceed \$26,085 of the funds made available to the Commodity Credit Corporation for administrative expenses] For deposit in the general fund of the Treasury for cost of penalty mail of the Department of Agriculture, including the War Food Administration, as required by section 2 of the Act of June 28, 1944 (Public Law 364), \$3,478,000, together with not to exceed \$30,000 of the funds made available to the Commodity Credit Corporation for administrative expenses, for penalty mail for said Corporation (Act of Dec. 22, 1944, Public Law 529).

This item is revised and made complete for inclusion in the annual appropriation act. The language deleted was part of a list of appropriations made in the First Supplemental Appropriation Act, 1945, for all the agencies of the Government affected by the penalty mail law.

PENALTY MAIL
Section 2, Public Law 364, 78th Congress
(Allotment to Office of the Secretary)

	<u>Category 1</u>	<u>Category 2</u>	<u>Total</u>
1945	- -	\$3,600	\$3,600
1946	- -	3,600	3,600
Change	- -	- -	- -

Category 2 consists principally of operating forms and regulations, replies to letters and other correspondence, invitations to bid on purchases, return cards for registered mail, and digest of essential Federal Register and legislative information relating to Agriculture.



OFFICE OF THE SOLICITOR

(a) Salaries and Expenses

Appropriation Act, 1945	\$1,930,632
Transfers, 1945, from other appropriations (shown in detail below)	+315,000
Total available, 1945	2,245,632
Budget estimate, 1946:	
Direct appropriation	\$1,664,000
Transfers from other appropriations (shown in detail below)	+197,500
Total available, budget estimate, 1946	1,861,500
Changes for 1946:	
Overtime decrease-\$291,262	
Other decreases-92,870	-384,132

PROJECT STATEMENT

Project	1944	1945 (estimated)	1946 (estimated)	Increase or decrease
1. Food distribution programs	\$265,296	\$271,002	\$251,002	-\$20,000 (1)
2. Food production and commodity credit programs	143,741	169,235	169,235	- -
3. Rural electrification programs	279,228	292,546	292,546	- -
4. Farm credit programs ...	121,947	124,802	122,302	-2,500 (2)
5. Farm security programs..	94,073	96,911	96,911	- -
6. Forestry, research and general legal services..	171,508	187,773	170,273	-17,500 (3)
7. General administration and business functions..	151,266	173,765	155,895	-17,870 (4)
8. Field activities	607,229	638,336	603,336	-35,000 (5)
9. Overtime costs	274,970	291,262	- -	-291,262
Unobligated balance	56,047	- -	- -	- -
Total available	2,165,305	2,245,632	1,861,500	-384,132
Received by transfer from:				
"Administrative expenses, Commodity Credit Corporation, Department of Agriculture"	-75,000	-75,000	-75,000	
"Emergency rubber project, Department of Agriculture"	-25,000	-25,000	-12,500	
"Salaries and expenses, War Food Administration, Department of Agriculture"	-175,000	-215,000	-100,000	

Project	1944	1945 :(estimated):	1946 :(estimated):	Increase or decrease
Received by transfer from:				
Cont.				
"Water Conservation and Utilization projects, :				
Farm Security Adminis- tration"	-\$12,500:	- - -	-\$10,000:	
"Special deposit account, Federal Surplus Commo- dities Corporation :				
(Northeastern Timber Salvage Administration)"	-2,700:	- - -	---	
Transferred to "Salaries and expenses, marketing service, Office of Dis- tribution", Perishable Agricultural Commodities, Produce Agency, and Standard Container Acts :	+4,000:	- -	- -	
Total estimate or appro- priation	1,879,105:	1,930,632:	1,664,000:	

INCREASES OR DECREASES

The net decrease of \$384,132 in this item for 1946 consists of the \$291,262 decrease for overtime, and the following:

- (1) A decrease of \$20,000 under the project "Food distribution programs" due to anticipated reduction in legal work for food distribution programs of the War Food Administration.
- (2) A decrease of \$2,500 under the project "Farm credit programs" due to a slight anticipated reduction in legal work for the emergency crop and feed loan program of the Farm Credit Administration.
- (3) A decrease of \$17,500 under the project "Forestry, research and general legal services" composed of:
 - (a) A decrease of \$12,500 in connection with the legal work incident to the Emergency Rubber Project.
 - (b) A decrease of \$5,000 due to anticipated curtailment of the general legal work rendered the War Food Administration.
- (4) A decrease of \$17,870 under the project "General administration and business functions" due to the curtailment of administrative activities resulting from the reduction in estimated funds available in 1946.
- (5) A net decrease of \$35,000 under the project "Field activities" composed of:
 - (a) A decrease of \$45,000 due to anticipated reduction in legal work required for food programs of the War Food Administration, including a decrease of \$222 for rental of office space in Amarillo, Texas, now being paid from this item, but for which provision is made in 1946 in the Budget estimates for the Public Buildings Administration.

(b) An increase of \$10,000 for legal work incident to the water conservation and utilization program of the Farm Security Administration.

It will be necessary to provide additional legal services in the field incident to the water conservation and utilization projects, for which the Budget estimates contain an increase in available funds.

Objective: To provide additional legal services incident to the water conservation and utilization programs.

Plan of Work: The water conservation and utilization program will demand the assistance of members of the Solicitor's Office in interpreting the provisions of Case-Wheeler Act (53 Stat. 1418) as amended, and the Water Conservation and Utilization Act (53 Stat. 685-719 as amended). The two enactments require cooperation between the Department of the Interior and the Department of Agriculture in the development of projects and many questions relating to the jurisdiction of the two departments and the duties and responsibilities of each will undoubtedly arise. Each new project and many changes in project plans must be examined for legal sufficiency before reference to the President for approval.

The procurement of real property in connection with the Case-Wheeler land development and improvement program will necessitate the preparation of legal instruments to effectuate acquisition, such as options, deeds and other instruments relating to the purchase of land. In addition, the Solicitor's Office will be required to handle the closings of the various land acquisition transactions and to accept delivery of the deeds. More important during the coming fiscal year will be the development of a procedure for and the effectuation of sales of farm land so acquired. Repayment contracts for irrigation construction, land development and improvement costs, as well as title instruments, will be developed and executed.

The law of the various jurisdictions governing the preparation, acquisition and disposition of water rights in the various States in which the program will be carried out will involve considerable time of the Solicitor's staff. It will also be necessary at times to have attorneys assist in the organization and establishment of irrigation districts and furnish legal assistance incident to the operation and maintenance of the various irrigation systems which are constructed pursuant to the program.

Some lands acquired by the Government will be leased during the development period to qualified project applicants. This will entail the preparation of tenure agreements pursuant to which the property may be leased to such occupants. It will be necessary to review the various tenure agreements and to approve them as to legal form and sufficiency.

WORK UNDER THIS APPROPRIATION

Objective: To advise the Secretary, the War Food Administrator, and other administrative officials on legal problems arising in connection with all phases of their duties, in accordance with a Congressional enactment in 1910 providing that "the legal work of the Department of Agriculture shall be performed under the supervision and direction of the Solicitor."

Necessity: The Department of Agriculture and the War Food Administration have been made responsible for carrying out the Nation's Wartime Food Program, as well as for the administration and enforcement of the statutes, regulatory and otherwise, which provide the basis for the major agricultural and food programs of the country, including production, distribution, conservation, credit, electrification, research, and others. Many and varied legal problems arise in the conduct of such activities, and for the solution of these problems it is necessary that administrative officers have legal advice and assistance involving the consideration and application of practically all branches of the law.

General Plan and Scope of Work: In order to maximize their usefulness, the offices, both Washington and decentralized, have been organized into fourteen legal divisions and one administrative division, with ten regional offices in the continental United States and one regional office in Puerto Rico. The various divisions of the office serve and counsel corresponding administrative units of the Department and the War Food Administration.

The work of the Office consists, among other things, of the rendering of legal opinions relative to the application of statutes, executive orders, and administrative rules and regulations; the drafting, examining, and construing of contracts, deeds, mortgages, leases, and other legal documents, and the preparation of proposed administrative rules and regulations, orders, and proclamations.

The Office conducts administrative hearings in reparation, disciplinary and other types of regulatory proceedings and issues tentative findings, conclusions, and orders with respect thereto. At hearings held before the Secretary and the War Food Administrator, the Solicitor's Office represents the Department and the War Food Administration as counsel, and handles contacts on legal matters with other Federal and State governmental agencies.

The Office of the Solicitor also prosecutes, for employees of the Department, applications for patents on inventions which are to be used in departmental work and considers and recommends the appropriate disposition of claims for damage both for and against the Department.

On the enforcement side, the Office examines evidence to determine whether there have been violations of acts and orders administered by the Department and the War Food Administration and, in proper cases, the Solicitor recommends prosecution to the Attorney General. Pleadings and briefs in

civil and criminal cases involving these agencies and the laws administered by them are drafted by the Office, and the Office cooperates with the Department of Justice in handling such litigation in the lower and appellate courts.

Present Organization and Current Programs: A brief description of each functional project is given below, together with a brief resume of major activities during the past fiscal year:

Food Distribution Programs:

General food distribution and procurement programs: Under this project is performed legal work incident to certain activities of the War Food Administration, as follows:

- (a) The making of food purchases to fill the needs of the Army, Navy, Lend-Lease, and other Government agencies and territories and possessions of the United States, including, where necessary, the processing of food and the construction and expansion of food processing plants.
- (b) Sales of Government surplus food stocks.
- (c) Reconversion and contract termination.
- (d) Those price support activities involving purchase, diversion from normal channels of trade, and new uses of commodities.
- (e) The School Lunch program.
- (f) The placing of priorities and allocations, through war food orders, with respect to consumer rationing of foods.
- (g) Enforcement of war food orders and regulations.
- (h) The requisitioning of food for human and animal consumption; food, industry relations, including the organization and functioning of industry advisory committees and matters pertaining to anti-trust prosecutions involving the food industry.
- (i) The establishment, maintenance, and adjustment of ceiling prices with respect to certain foods, in conjunction with the Office of Price Administration.
- (j) The preparation of schedules of priorities for the domestic rail movement and for the shipping of food, and the prosecution of cases with respect to rates, charges, tariffs and practices, and abandonments relating to the transportation of farm products before the Interstate Commerce Commission and the Federal Courts and State Public Utilities Commissions.
- (k) Activities under the United States Warehouse Act.
- (l) The publication monthly of the decisions of the Secretary and the War Food Administrator relating to regulatory functions.

Legal work in this field has included the review for formal requirements of over 200 war food orders, preparation of memoranda and regulations on order procedure and compliance, general supervision of compliance activities in administrative and court (criminal, civil, and equity) proceedings by regional attorneys, in the enforcement of over 220 war food orders, review of numerous purchase and price support programs and a large volume of procurement and service contracts, preparation of legal documents in connection with the construction, acquisition and operation of over 48 lend-lease plant expansion projects, preparation of documents and general supervision of more than 90 requisitioning proceedings, participation in hearings before the Interstate Commerce Commission and State Public Utility Commissions in 9 carrier abandonment cases and more than 22 freight rate cases resulting in an estimated annual saving to farmers of \$100,000,000 in rates, the rendering of assistance to the Department of Justice in litigation arising out of claims and enforcement proceedings, and preparation of numerous legal opinions on a wide variety of topics including contracting activities, basic problems in priority control, compliance proceedings and relationships with other war agencies.

Grain, livestock and sugar programs: This project performs legal work incident to certain activities of the War Food Administration, as follows:

- (a) The placing of priorities and allocations, through War food orders, with respect to the grain and livestock groups of agricultural commodities, fats and oils, and sugar and molasses.
- (b) Price support programs with respect to livestock, livestock products, fats and oils, dried beans and dried peas.
- (c) The regulation of sugar marketings in interstate and foreign commerce by the imposition of quotas, under the Sugar Act of 1937, as amended.
- (d) The regulation of the business conduct of packers and stockyards operating in interstate commerce, and the prescription of the rates charged, under the Packers and Stockyards Act.
- (e) The establishment of standards of quality and condition for wheat, corn, and other grains and the prohibition of the interstate or foreign transportation of grains not officially inspected and graded under the United States Grain Standards Act.
- (f) The regulation of interstate and foreign commerce in seeds under the Federal Seed Act.
- (g) The prevention of the interstate or foreign shipment of meat and meat food products which are unfit for human consumption, under the Meat Inspection Act.
- (h) The regulation of trading in futures contracts for delivery of grains, cotton, wool, and other commodities on commodity exchanges and boards of trade, and the regulation of the conduct of such exchanges and boards under the Commodity Exchange Act.

(i) Activities under various other regulatory statutes, including the Insecticide Act, Naval Stores Act, Virus-Serum Toxin Control Act, Plant Quarantine Act, Animal Quarantine Act, Wool Standards Act, the Twenty-Eight Hour Law, the Farm Products Inspection Act, and other acts designed to prevent shipment of diseased livestock and the introduction or dissemination of contagious animal diseases.

Legal work in this field has included the preparation of original, supplemental, and implementing war food orders regulating the marketing and use of livestock, meat, meat products, fats and oils, fats and oils products, sugar, molasses, corn, flaxseed, wool, bakery products, dried beans and peas, rice, and pet foods; the preparation of legal interpretations of such orders; the preparation of regulations and amendments thereto under the statutes mentioned above and proposed amendments of such statutes; opinions interpreting such regulations and statutes; the preparation of legal opinions, pleadings, and other legal documents required in judicial and administrative actions instituted under these statutes; assisting the Department of Justice in the preparation and presentation of cases; and representing the Department in all administrative hearings under these statutes, including rate fixing and disciplinary cases under the Packers and Stockyards Act, and disciplinary cases under the Federal Seed Act.

Dairy products and fruits and vegetables programs: Under this project is performed legal work incident to certain activities of the War Food Administration, as follows:

(a) The placing of priorities and allocations, through War food orders, with respect to dairy products, fruits and vegetables, and special commodities.

(b) Price support programs carried on by the War Food Administration with respect to the above commodities.

(c) The execution of marketing agreements for agricultural commodities and for the issuance of orders regulating the marketing of certain commodities, under the Agricultural Marketing Agreement Act of 1937, as amended.

(d) The licensing of commission merchants, dealers, and brokers handling fresh fruits and vegetables in interstate commerce, under the Perishable Agricultural Commodities Act.

(e) Activities under the Anti-Hog Cholera Serum and Hog-Cholera Virus Act, the Produce Agency Act, United States Cotton Standards Act, United States Cotton Futures Act, Tobacco Inspection Act, Standard Container Acts, Peanut Statistics Act, Tobacco Statistics Act, Export Apple and Pear Act, Renovated Butter Act, Honey-Bee Act, Dairy Products for Export Act, and the farm products inspection provisions of the annual appropriation act.

The Office has prepared original, supplemental, and implementing war food orders regulating the marketing and use of milk, butter, cheese, milk sugar, and other dairy products; canned and processed fruits and vegetables; fresh, dried, and dehydrated apples, citrus, grapes, peaches, pears, plums, and

other fruits; onions, potatoes, and other fresh and dried vegetables; cocoa beans, oil of peppermint, tea, fish (salted and canned), spices, pickles, malt and other special commodities; eggs, turkeys, and other poultry and products thereof; and tobacco and walnuts. The Office has also performed legal services in connection with marketing agreement and order programs regulating hops, fruits, vegetables, and milk; litigation under milk and other marketing orders, including assistance to the Department of Justice in the preparation and presentation of cases; and the formulation and promulgation of milk orders, or proposed amendments thereto, with regard to the marketing areas of suburban Chicago, Cincinnati, St. Louis, New Orleans, Boston, Philadelphia, Washington, Wichita, Fall River, and certain other marketing areas and reparation and disciplinary proceedings under the Perishable Agricultural Commodities Act.

Food Production and Commodity Credit Programs:

Conservation and adjustment programs: Under this project is performed legal work incident to certain activities of the War Food Administration, Office of Materials and Facilities, the Agricultural Adjustment Agency and the Federal Crop Insurance Corporation, as follows:

- (a) The exercise of authority relative to the priorities and allocations, through war food orders, with respect to farm machinery, fertilizer and other supplies, including the development of policy decisions with respect to consumer rationing of farm supplies.
- (b) Compliance with war food orders and regulations; the requisitioning of farm machinery and other supplies where necessary for food production.
- (c) Agricultural conservation programs, range conservation programs, and naval stores conservation programs, on the continent and in the territories, and payments to eligible producers, under the Soil Conservation and Domestic Allotment Act, as amended.
- (d) Parity payments to producers of corn, wheat, cotton, rice, and tobacco, and the imposition and adjustment of marketing quotas, when the supply situation requires, for cotton, wheat, corn, tobacco, rice, and peanuts, under the Agricultural Adjustment Act of 1938, as amended.
- (e) Fees or limitations on certain imports in order to prevent interference with specified programs, under Section 22, Agricultural Adjustment Act (1935)
- (f) Payments to sugar beet and sugar cane producers, under the Sugar Act of 1937.
- (g) Liquidation activities with respect to wheat and cotton crop insurance.

Legal work has included the preparation of orders, forms and procedures required for the continued control of the distribution of scarce farm materials and supplies, such as machinery, fertilizer, feeds, insecticides, lumber,

copper wire and engines; and preparation of the necessary regulations and procedures for a program of soil and water conservation designed to assure the maximum production of crops, and for a tobacco marketing quota program to provide adequate supplies of tobacco without interference with the production of other essential crops.

Commodity credit programs: This project involves the performance of legal work incident to activities of the Commodity Credit Corporation with respect to the six basic commodities (corn, wheat, cotton, tobacco, peanuts and rice), nonbasic commodities (raw sugar, sugarcane, sugar beets, soybeans, flaxseed, cottonseed, feed grains, wool and hemp), and agricultural supplies and facilities (fertilizers, feeds, harvesting machinery, etc.). These activities include:

- (a) Producer loan programs for the basic commodities under the Agricultural Adjustment Act of 1938, as amended and supplemented; price-support programs for nonbasic commodities under the so-called Steagall Amendment (15 U.S.C. 713a-8, Supp. III).
- (b) Subsidy programs designed to obtain necessary agricultural and food production and distribution without inflationary price rises.
- (c) Procurement and supply programs designed to assure adequate supplies of agricultural commodities and foods for military and essential civilian needs.
- (d) Programs involving the exercise of priorities and allocations, requisitioning and other war powers to the extent necessary to assure the fulfillment of war emergency needs for agricultural commodities and foods.

This legal work has included services in connection with the Soybean Program, the Peanut Program, the Wool Program, the Cotton Loan and Purchase Program, the Cotton Export Program, the Wheat Loan Program, the Wheat and Wheat Flour Export Programs, the Ammonium Nitrate Program, the War Hemp Program, and many other programs. One of the most difficult and comprehensive assignments completed was the furnishing of legal service in connection with the CCC's various domestic and offshore sugar production purchase and distribution programs. In connection with these programs, which involve many aspects of both the domestic beet and cane sugar industries and the Caribbean and Territorial canesugar industries, and under which, among other things, the CCC purchases the entire Cuban and Puerto Rican sugar crops, this office prepared many comprehensive contracts, together with numerous legal documents to be used in implementing such contracts, and gave oral and written day to day legal advice.

Legal problems presented include not only the usual ones relating to security instruments, warehousing, corporate organization and financing, but also problems relating to the laws of foreign nations, and, because the Commodity Credit Corporation is a Government corporation, problems involving its

immunity from State regulation and its right to assert the sovereign immunities of the United States.

Stabilization and labor programs: Under this project is performed legal work incident to activities of the Office of Labor, the Office of Price, and to certain activities of the Extension Service, as follows:

- (a) The stabilization of wages and salaries of agricultural labor pursuant to the Stabilization Act of 1942 and the Stabilization Extension Act of 1944, Executive Order 9250 of October 3, 1942, Executive Order 9328 of April 8, 1943, and directives of the Director of Economic Stabilization.
- (b) The recruitment, transportation, placement, and distribution of farm laborers pursuant to Public Laws 45 and 229, including the negotiation of agreements with Mexico, Jamaica, Bahamas, Barbados, and Newfoundland for the importation of agricultural workers, and the feeding, shelter, and medical care of the workers imported.
- (d) Approval of maximum prices on agricultural commodities, under the Emergency Price Control Act of 1942, as amended by the Stabilization Act of 1942 and the Stabilization Extension Act of 1944 and Executive Orders 9250 and 9328, and directives of the Economic Stabilization Director.

Legal work has included the preparation of general regulations and public notices and orders establishing wage rates, replying to hundreds of letters involving legal problems concerning wage stabilization, assisting in preparing and interpreting international agreements with five different countries or crown colonies, and agreements with individual foreign and domestic workers and employers. Numerous legal problems arose relating to government contracts and claims, and the operation of labor camps. Memoranda were written giving legal clearance to maximum price regulations on agricultural commodities, and interpreting the basic statutes and Executive orders with respect thereto.

Rural Electrification Programs:

Electrification loans: Legal work incident to the following activities is performed under this project:

- (a) Loans for electric connections to farms under War Production Board regulations and special approvals. Although the total dollar volume of such loans during fiscal 1944 was much less than the annual volume in the pre-war period, individual loans were much smaller and the number of legal documents was about 2/3 of the average number per year immediately preceding the war.
- (b) Loans for the acquisition by REA borrowers of existing electric facilities to make possible future extensions to unserved persons. Many of these properties are now on the market as the result of divestiture orders of the Securities and Exchange Commission pursuant to the Public Utility Holding Company Act of 1936. Such properties must be acquired, if at all,

at the time when they are for sale. During the fiscal year 1944 approximately \$6,000,000 was lent for the purchase price of such properties as a result of which extensions will be constructed to approximately 15,000 farms which might otherwise remain without service. Legal work incident to these "acquisition loans" is particularly difficult and complicated, requiring more man hours of work per dollar volume of loans than are required for construction loans.

(c) Redrawing of several thousand notes to carry out the provisions of the Department of Agriculture Organic Act of 1944 (Public Law 425, 78th Congress). Under the provisions of this Act all outstanding REA loan instruments are to be redrawn to provide for an interest rate of 2%; under permissive provisions of the Act, a considerable percentage of these loans will also have to be redrawn to provide for a 35-year rather than a 25-year maturity.

(d) Other legal work incident to outstanding loans and the security therefor. Amendments to outstanding loan contracts and mortgages, mergers of REA borrowers, transfers of property between borrowers, and changes in the corporate set-up of borrowers require the attention of loan attorneys. Each year shows an increase in this type of responsibility commensurate with the growth in the total number of REA borrowers and the total amount of outstanding loans.

Electrification construction and operations: This project includes the performance of legal work incident to the following activities:

(a) Legal work incident to regulations of war agencies, particularly the War Production Board. This work consists chiefly of opinions, which have averaged several hundred per month, rendered to members of the Rural Electrification Administration and to REA borrowers.

(b) Legal work incident to the construction of facilities. This work consists chiefly of the drafting, or review, of contracts for construction, engineering, purchase of materials, wholesale energy, etc.

(c) Right-of-way and title matters. REA attorneys must review opinions of local counsel, abstracts of title, proofs of acquired rights-of-way, etc., in order that the government may have reasonable assurance that the security for its loans is adequate with respect to right-of-way and title matters. General instructions and assistance in particular cases are furnished to local counsel for borrowers.

- (d) Legal assistance to borrowers with respect to matters arising out of the operation of energized systems. This assistance relates chiefly to the following matters: Taxation under state and federal tax laws involving problems peculiar to the rural electrification program; renewal or revision of wholesale energy contracts; insurance matters; an increasing trend of labor problems incident to the application to REA borrowers of the Fair Labor Standards Act, the National Labor Relations Act, and the jurisdiction of the War Labor Board.
- (e) Litigation and proceedings before regulatory bodies. Opposition to the rural electrification program on the part of adverse interests has shown a marked increase during the past year and has arisen in several states where practically no opposition was experienced in prior years. These matters are often basic to the entire REA program in a given state and attorneys of the Solicitor's Office assist borrowers in court cases and in proceedings before regulatory bodies, state and federal.
- (f) The audit of REA loans by the General Accounting Office has just begun, going back to the earliest loans in 1936. A considerable amount of legal work incident to this audit, hitherto unprovided for in budget estimates, has been incurred this year and will increase during fiscal 1946.

Farm Credit Programs:

The Office of the Solicitor furnishes legal services required by all activities of the Farm Credit Administration, including the functions of supervision of the operations of various corporate lending agencies and in its own direct loan programs. The Office also advises the legal departments maintained by the four corporate agencies in each Farm Credit district. The following activities of the Farm Credit Administration or these corporate agencies are involved:

- (a) Operation of the Federal land banks, and national farm loan associations, and the liquidation of the joint stock land banks, under the Federal Farm Loan Act; making loans to farmers by the Land Bank Commissioner on real or personal property, including crops, under the Emergency Farm Mortgage Act; and the operation of the Federal Farm Mortgage Corporation in financing the lending operations of the Land Bank Commissioner and the Federal land banks, under the Federal Farm Mortgage Corporation Act.
- (b) Operation of the Federal intermediate credit banks, under the Agricultural Credits Act of 1923; liquidation of a \$500,000,000 revolving fund for use in making loans to cooperative associations, under the Agricultural Marketing Act; activities of the Regional Agricultural Credit Corporation of Washington, D. C., in making direct loans to farmers and stockmen, under the Emergency Relief and Construction Act of 1932 and the Farm Credit Act of 1937; operation of the production credit corporations, production credit associations, and banks for cooperatives, under the Farm Credit Act of 1933; and the making of loans for planting, cultivating, and harvesting crops, and for feed for livestock, under the Act of January 29, 1937.
- (c) Supervision by the Farm Credit Administration of intermediate credit banks, banks for cooperatives, production credit corporations and associations, the Regional Agricultural Credit Corporation of Washington, D. C., Federal land banks, national farm loan associations, joint stock land banks, and farm loan registrars.
- (d) Promotion by the Farm Credit Administration of the cooperative marketing of agricultural products and the development of cooperative associations, under the Cooperative Marketing Act of 1926.

During the fiscal year 1944, the Office advised the Farm Credit Administration regarding a variety of legal questions relating to its internal operations, functions, and powers, and its programs and procedures in the exercise of supervision over the lending agencies; functions of the lending agencies on matters such as loan policies, investments, personnel management, corporate procedure, rights and obligations under contracts, their status as public or private corporations, and transactions involving stock and securities issued by them; and its functions in the conduct of direct loan operations, the liquidation of former direct loan programs, and the promotion of cooperative associations.

The Office prepared or assisted in preparing regulations, orders, and bulletins issued by the Farm Credit Administration to govern the agencies under its supervision; prepared various legal forms; performed legal

services with respect to legislation affecting the interests of the Administration and its agencies; directed organization studies of the district legal departments and suggested improvements with reduced personnel and costs; prepared periodic summaries of legal cases relating to cooperative associations; supervised or assisted in the conduct of civil litigation; and reported civil and criminal cases to the Department of Justice.

Long-term credit programs: Legal assistance was furnished in connection with the call and refinancing of consolidated federal farm loan bonds of the twelve Federal Land Banks, with respect to the promulgation of regulations governing calls; the actual calling of \$353,237,900 of such bonds; borrowings by the twelve Federal Land Banks on their joint and several notes; and the development of forms and procedures for such borrowings in the amount of \$165,400,000 and for possible future borrowings. Legal questions were presented by the reduction by the Federal Land Banks of the contract interest rates on approximately 70 percent of their outstanding loans; disposition of some \$200,000 of assets of the St. Louis Joint Stock Land Bank in receivership, which resulted from litigation which had covered approximately six years; new, fundamental questions involving the rights of the holders of called but unrepresented bonds as compared with the rights of the stockholders upon liquidation of the bank which issued the bonds; a problem of statutory interpretation which resulted in a holding that land banks have statutory power to pledge their purchase money mortgages as collateral for federal farm loan bonds; and plans for the voluntary liquidation of five joint stock land banks and the final liquidation of nine such banks.

The Office advised and assisted in the preparation of pleadings and briefs in three cases in litigation involving questions of vital importance to the Federal Land Bank system. Two cases resulted in final decisions in the appellate courts clarifying the rights and duties of the Federal Land Bank and national farm loan associations in the collection and servicing of loans of the bank endorsed by the association. The third case which concerned the legality of the plan adopted by a Federal Land Bank to accomplish the financial rehabilitation of national farm loan associations in its district was decided in favor of the Land Bank by the Federal District Court. This decision affects the entire system, since all but two of the other Federal Land Banks have such plans, either completed or in various stages of completion.

The Office performed legal services in connection with the adoption by six banks, and the approval by the Farm Credit Administration, of plans for the financial rehabilitation of national farm loan associations and in connection with the legal consolidation of 1,930 such associations into 591 associations; the preparation of resolutions, notices, bond form, and other documents used by the Federal Farm Mortgage Corporation in calling \$929,764,200 of its outstanding bonds and refinancing \$375,000,000 of such bonds; and prepared legal and factual analyses of a number of questions raised by the General Accounting Office concerning the operations of the Federal Farm Mortgage Corporation.

Short-term credit programs: The Office prepared briefs on behalf of a bank for cooperatives as amicus curiae in a suit involving the interpretation of the provisions of the Agricultural Marketing Act defining cooperative associations. This case, which was decided in favor of the cooperative association, is of major importance to all of the banks for the cooperatives since the questions decided affect the eligibility of certain classes of cooperative associations for loans. A number of problems were settled concerning the eligibility of various classes of cooperative associations for loans, and the classification of loans according to purpose.

The Office assisted in the preparation of revisions of the rules and regulations of the Farm Credit Administration and the production credit corporations governing the operation of the production credit associations, and revisions of the by-laws of such associations; the formulation of procedures for the consolidation of such associations and the transfer of loans between them; and the preparation of forms and procedures for the retirement of stock held by the Farm Credit Administration in the production credit corporations.

The Office advised and assisted in plans for the liquidation of loans outstanding under the Agricultural Marketing Act Revolving Fund and the disposition of property acquired in such liquidations. These activities during the fiscal year 1944 resulted in the collection of over \$3,000,000 on loans, the sale of 48 properties, and the leasing of 27 others.

The Office prepared or assisted in preparing numerous orders, bulletins, and forms for the institution of several regional loan programs by the Regional Agricultural Credit Corporation of Washington, D. C., and for the reorganization of the Corporation's district offices and their coordination with the offices of other Farm Credit agencies; devised forms and procedures for the transfer of the office of the RACC of Minneapolis to Kansas City and for its subsequent merger into the RACC of Washington, D. C.; considered legal problems concerning the use and disposition of special trust funds held by the Wenatchee Branch of the RACC of Washington, D. C.; and assisted in the establishment of a growers' credit corporation and other cooperative associations in the Wenatchee area.

The Office assisted in the formulation of procedures for the institution of a new plan for maintaining accounts of obligations between the federal intermediate credit banks and production credit associations to eliminate daily remittances between them; and reviewed a large number of cases for transmittal to the Department of Justice, involving collections on seed and feed loans made under the Act of January 29, 1937.

Farm Security Programs:

Farm tenancy and water programs: Under this project is performed legal work incident to activities of the Farm Security Administration, as follows:

(a) The making, servicing and collection of loans to farmers for the purchase of farms under Title I of the Bankhead-Jones Farm Tenant Act. The special legal problems involve the preparation or review of opinions of title to real property, negotiations for title insurance and the approval or disapproval of the sufficiency of title insurance proposals, the preparation of various real estate loan and security instruments and the foreclosure of real estate mortgages. The work also requires a current and intimate knowledge of the laws relating to fire, windstorm and title insurance. Marked increases seem certain to occur in the volume of this work, due, in part, to the increased authorization for funds for such loans and the provisions of Section 505b of the Servicemen's Readjustment Act of 1944, making all veterans of World War II eligible for such loans. The increased volume and age of outstanding tenant purchase loans will also result normally in more foreclosures, sales and transfers of land by borrowers, and other transactions incident to loan administration and collection.

(b) The sale, in accordance with tenant purchase procedure and standards, of resettlement and rural rehabilitation project lands in liquidation which, pursuant to Section 43 of the Bankhead-Jones Farm Tenant Act, are found suitable for the purposes of Title I of that Act. This work involves substantially the same special legal problems as are indicated under paragraph (a) above.

(c) The supervision of veterans' loan committees which make the certifications and recommendations relating to loans to veterans guaranteed by the Administrator of Veterans' Affairs, for the purchase of land, buildings, livestock, equipment, machinery or implements, or the repair and improvement of such property used in farming operations, pursuant to Sections 500-505 of the Servicemen's Readjustment Act of 1944.

(d) Construction of water conservation and utilization projects in the Great Plains and arid and semiarid areas of the United States pursuant to the Water Conservation and Utilization item in the Interior Appropriation Act of 1940 (53 Stat. 685-719), the Act of August 11, 1939, the so-called Case-Wheeler Act, as amended, and the Water Facilities Act. These programs involve the acquisition of land, the planning, construction, operation and maintenance of irrigation systems, the improvement, development and settlement on a sound agricultural basis of lands within the project areas, and the collection of construction, development and operating costs. They also involve the construction and making and servicing of loans and grants for the construction of water facilities and appurtenances. In addition to the usual title and security problems and the problems of Federal law, these programs require an examination of corporate organization of water users' associations, irrigation districts, and water rights under State law. Although construction will be somewhat limited until the termination of the war, there will be an increase in the work of development and settlement, including the sale of acquired land and collection of reimbursable charges, and of planning future projects.

Rural rehabilitation programs: Under this project is performed legal work incident to activities of the Farm Security Administration, as follows:

- (a) The making and administration of rural rehabilitation loans, flood loans and grants, under the various Acts appropriating funds to assist needy farmers by (1) furnishing farm debt adjustment services, (2) making and servicing loans to individual farmers, and (3) servicing outstanding loans and grants previously made through Farm Security Administration and its predecessors. The outstanding balances involved aggregate over \$500,000,000. A substantial increase over the amount available for such loans for 1945 has been approved by the Budget Bureau for the fiscal year 1946. The legal work is of enormous volume and includes, as a major activity, the preparation and enforcement of promissory notes, chattel mortgages, and pledge agreements of various kinds.
- (b) The administration, as trustee, pursuant to agreements between the Secretary of Agriculture and forty-three State Rural Rehabilitation Corporations, of the assets of such Corporations in furtherance of rural rehabilitation in the respective States. This legal work is of considerable volume and involves the additional complexities incident to the administration of trust estates by a Federal agency.
- (c) The administration of the Bankhead-Black Act. The legal work includes the preparation or approval of agreements for payments to local tax units in lieu of taxes, and documents effecting the dedication of lands to public bodies in furtherance of rural rehabilitation.
- (d) Servicing outstanding loans to cooperative purchasing and marketing associations, administration of medical and health programs, including grants to local associations furnishing medical, hospital and dental assistance to low-income farm families.
- (e) The liquidation of all resettlement projects and rural rehabilitation projects for resettlement purposes, including homestead, cooperative farming, land purchasing, and defense relocation corporations, and all activities involving cooperative purchasing for colonies of rehabilitants or tenant purchasers. Among other things, the legal work involves the preparation of liquidation agreements involving intricate factual situations, cancellation of long-term leases, the dissolution of cooperatives and corporations now on the Projects, the preparation of sales agreements, corporate resolutions, deeds, mortgages, and notes, and the interpretation of statutes and Executive Orders governing or bearing upon such projects.

It appears evident that legal work incident to the programs will increase sharply during the fiscal year 1946, even though the resettlement project liquidation is expected to be far advanced during the current year. The sales of such property on credit, the enforcement of the Government's rights with respect to property thus sold, and the handling of litigation incident to liquidation will require a very considerable amount of continuing legal work. The work in connection with rural rehabilitation loans to individuals will undoubtedly increase sharply, due to the larger loan authorizations.

In addition to the special legal problems mentioned above, the legal work required in all of the Farm Security programs includes developing and applying regulations and instructions; preparing opinions, memoranda of law and correspondence; handling of large volume of litigation, necessitating reference of cases to the Department of Justice with comprehensive reports dealing with the facts and special provisions of law which apply; handling compromises of indebtedness, either under the special powers of the Secretary of Agriculture or by reference to the Secretary of the Treasury or the Attorney General; and clearing a large volume of administrative correspondence as to legality. New policies in the Farm Security Administration have necessitated much work in the matter of reviewing and revising the regulations incident to tenant purchase and rehabilitation loans and the issuance of new regulations.

Forestry, Research and General Legal Services:

Research and general legal services: This project includes the legal work incident to the following:

(a) Activities of the Agricultural Research Administration and its eight constituent bureaus which carry on the research work of the Department, including the four Regional Research Laboratories established under the Agricultural Adjustment Act of 1938, as amended, and the State-Federal cooperative and grant-in-aid work with State Experiment Stations and State Extension Services; and patent advice and assistance, both in Washington and at the site of work, on war discoveries and secret war projects; and activities of the Office of Budget and Finance, the Office of Personnel, the Bureau of Agricultural Economics, the Office of Plant and Operations, the Office of Foreign Agricultural Relations, the Library, and general staff work of the War Food Administration, including the Office of Materials and Facilities, and the Office of Surplus Property and Reconversion.

(b) The general responsibility of the War Food Administration and the Department under the Surplus Property Act of 1944, the Contract Termination Act, and the War Mobilization and Reconversion Act. This has involved preparation of regulations and instructions for use under the Contract Termination Act, and numerous studies and analyses in connection with legislative proposals as to surplus property for use of Department officials, prior to the adoption of the Surplus Property Act.

(c) Appointment, classification, compensation, discipline, and leaves of absence of Department and War Food Administration personnel; personnel irregularities, including referral of criminal cases to the Department of Justice and recovery under employees' bonds and otherwise; interpretation of such acts as the Civil Service Act, the Classification Act of 1923, the annual, sick, and military leave laws, the Retirement Act, the Mead-Ramspeck Act, the Overtime Pay Act, the Hatch "Clean Politics" Act, and the Ramspeck Act. Considerable legal advice was furnished on personnel problems, particularly interpretations of veterans' preference legislation, new civil service rules, and the revised leave regulations.

(d) The availability of funds for all administrative expenses incident to the activities of the Department and the War Food Administration; and for all other expenses not immediately related to program operations; invitations to bid, bid specifications, contracts, bonds, and leases for administrative operations; regulation and control of administrative property; general bankruptcy matters; statutes, regulations and executive directives which affect all bureaus and agencies of the Department and the War Food Administration, including their program operations, such as the Walsh-Healey Act, the Davis-Bacon Act, the Copeland Act, Title II of the First War Powers Act, 1941, the Eight-Hour Law, Fair Employment Practices, excise taxes, penalty mail, and surplus war property.

(e) Budget estimates, appropriation language and legislative counsel with respect to general appropriation matters, including the Department appropriation act; claims for damages to property and for personal injuries on account of negligence of Department personnel and all claims on behalf of the Department for damages to its personal property; and patents, copyrights, and trade marks.

Legal work in this field has also included the furnishing of advice on all internal administrative problems of the Department and the War Food Administration, especially certain problems peculiar to their administrative structure.

Further, in connection with the Department of Agriculture Organic Act of 1944, enacted during the year, because of its fundamental importance, numerous interpretations of its provisions will necessarily become major precedents in future operations.

Forestry and lands programs: This project includes legal work incident to the activities originating in the Forest Service, Soil Conservation Service, and otherwise, as follows:

(a) Cooperation of the Forest Service and other agencies of this Department with the War Department and the War Production Board in experimental work relating to the development and use of wood products for military purposes, war mapping and camouflage work, emergency fire protection in critical areas surrounding army camps and war plants, the determination of forest products requirements for war and civilian needs, the discovery of sources of timber in foreign countries for use in connection with the war effort, the Alaska Spruce Project, and the Timber Production War Project.

(b) Forest Service activities, including the administration and extension of national forests; protection in collaboration with the States of the watersheds of navigable streams and the purchase of lands for the purpose of conserving the navigability of streams and to promote the continuous production of timber; the protection, in collaboration with the States, of forest lands and the reforestation thereof; the demonstration of reforestation, growing, and utilization of timber and other forest products; the establishment and administration of sustained-yield forest units; the establishment of fish and game sanctuaries in the national forests; cooperation with the States in the development of State forests and farm forestry; and the planting of guayule and other rubber-bearing plants,

(c) Soil Conservation Service activities, including the purchase of land unsuited to cultivation and the administration and development of such land for better adapted use, under the Bankhead-Jones Farm Tenant Act, and extending on a cooperative basis the facilities of Departmental agencies to such State and local agencies as soil conservation districts, wind-erosion districts, grass-conservation districts, and others, under the Soil Conservation and Domestic Allotment Act, as amended.

(d) Flood control and drainage activities of the Department; activities relating to land, minerals, and water handled by the Land Use Coordinator; the preparation and procurement of abstracts and curative data and examination and approval of title to all lands acquired by the Department, including land acquired for lend-lease purposes; and the activities of the Minerals Policy Advisory Committee, which handles all mineral interests administered by this Department.

Legal work has included the preparation of opinions and the preparation and review of numerous contracts and agreements incident to the protection and administration of over 178,000,000 acres under the jurisdiction of the Forest Service, including the administration and control of the sale of timber from and the occupancy and use of such lands, and the preparation and review of numerous documents in connection with the Emergency Rubber Project, the Alaska Spruce Project, the Timber Production War Project and the Texas Timber Salvage Program. The office prepared opinions and prepared and reviewed numerous documents relating to the Department's activities in land utilization, soil and water conservation, and flood control, including cooperative agreements with States and other agencies incident to the administration of the land utilization areas which comprise over 7,000,000 acres under the jurisdiction of the Soil Conservation Service, and reviewed documents and participated in the drafting of State legislative bills pertinent to the 1,100 erosion control and other districts which embrace over 615,000,000 acres.

During the past year this Office assisted in the drafting of regulations and procedures for issuing oil, gas, and other mineral leases, prepared and reviewed numerous leases and permits for the development and production of oil, gas and other minerals needed in the war effort and reviewed royalty communitization and other agreements and division orders and prepared opinions relating to the ownership and the administration of oil, gas and mineral rights. The Office assisted and cooperated with the Department of Justice in the prosecution of cases involving violations of the laws of the United States, including violations in or near critical areas on lands administered by this Department.

General Administration and Business Functions:

This project includes the supervision and direction, by the Solicitor and his staff, of the performance of all legal work mentioned above for the Department, both departmental and field; and all administrative and business functions of the Office, both departmental and field, including personnel matters, such as classification, appointment, placement, training, safety, leave, and retirement; budget matters in the Office of the Solicitor, including the preparation and presentation of budget estimates

and the development and maintenance of budgetary management controls; fiscal work, comprising the preparation and audit of payrolls and vouchers, the accounting and reporting of all expenditures, and the maintenance of cost records by activities for budgetary purposes; procurement of equipment and supplies, and the maintenance of accountability records therefor; and maintenance of complete centralized correspondence files for the office, the receipt, recording, and dispatch of all mail, and the performance of messenger service.

Field Activities:

Pursuant to the policy of the Solicitor's Office as reorganized in July 1942, responsibility has been delegated insofar as is possible to regional attorneys in the field offices. The eleven regional offices have performed all phases of legal work in connection with the program activities of the Department and the War Food Administration carried on in the regional areas of the component agencies.

STATEMENT OF OBLIGATIONS UNDER SUPPLEMENTAL FUNDS
(1944 and 1945 figures include overtime costs)

Project	Obligations, 1944	Estimated obligations, 1945	Estimated obligations, 1946
Supply and Distribution of Farm Labor: For general legal services in connection with the farm labor program a/	\$23,442	\$40,400	\$26,590

a/ Availability of present funds appropriated for this program (calendar-year basis) is limited to December 31, 1945 (that is, calendar year 1945).

[illegible]

PENALTY MAIL
Section 2, Public Law 364, 78th Congress
(Allotment to Office of Solicitor)

	<u>Category 1</u>	<u>Category 2</u>	<u>Total</u>
1945	- -	\$1,637	\$1,637
1946	- -	2,500	2,500
Change	- -	+863	+863

Category 2 consists of operational and administrative correspondence between the various units and field offices of the Solicitor's Office, and with the various bureaus of the Department, including the War Food Administration, in connection with the legal work being performed for those bureaus, including the distribution of legal opinions and the transmittal of case material during the course of consideration; correspondence with other Government departments and the public, including correspondence with United States Attorneys in litigation matters, the distribution of notices incident to the holding of administrative hearings, numerous demand letters incident to the collection of outstanding loans of the credit agencies and legal correspondence with Rural Electrification and other cooperative associations.

The increase of \$863 in this item for 1946 is based on the anticipated increase in the volume of correspondence originating in the various units and field offices of the Solicitor's Office as the result of: (1) the greatly increased emphasis on the collection of outstanding loans by the Farm Security Administration; (2) the recommended increase of rural rehabilitation loan funds from \$67,500,000 to \$125,000,000, and farm tenancy loan funds from \$15,000,000 to \$50,000,000; (3) legal work incident to the G. I. Bill of Rights and the Surplus Property Act; and (4) the recommended increase of Rural Electrification Administration loan funds from \$25,000,000 to \$150,000,000.

OFFICE OF INFORMATION

(a) Salaries and Expenses

Appropriations, 1945: : : :
 Regular Act \$506,000
 First Supplemental Appropriation Act, 1945 (for bulk mailing costs under Sec. 3., Public Law 364, 78th Congress) 8,002
 Total appropriations, 1945 \$514,002
 Transfers, 1945, from other appropriations (shown in detail below) +251,179
 Total available, 1945 765,181
 Budget estimate, 1946:
 Direct appropriation 460,000
 Transfers, 1946, from other appropriations (shown in detail below) . 161,179
 Total available, 1946 621,179
 Change for 1946:
 Overtime decrease -89,121
 Other decreases -54,881 -144,002

PROJECT STATEMENT

Project	1944	1945 (estimated)	1946 (estimated)	Increase or decrease
1. General administration of Office of Information and of informational work:	\$175,728	\$140,013	\$107,473	-\$32,540(2)
2. Business service, including mail and files .	34,872	40,385	40,135	-250(2)
3. Publications preparation and control .	153,111	177,660	174,249	-3,411(2)
4. Preparation and distribution of special reports and current information	98,981	120,805	88,155	-32,650(2)
5. Preparation and distribution of agricultural information by exhibits	43,617	40,000	58,470	+18,470(1)
6. Preparation and distribution of agricultural information by radio ...	42,260	45,249	42,749	-2,500(2)
7. Preparation and distribution of agricultural information to the press	56,610	61,948	59,948	-2,000(2)
8. Preparation and distribution of agricultural information by motion pictures	89,880	50,000	50,000	-
9. Overtime costs	87,332	89,121	-	-89,121
Unobligated balance	1,107	-	-	-
Total available	783,498	765,181	621,179	-144,002

Project	1944	1945 (estimated)	1946 (estimated)	Increase or decrease
Continuing transfers from:				
"Salaries and expenses,				
War Food Administration":	-217,500:	-240,000:	-150,000:	
"Administrative expenses,				
Commodity Credit Cor-				
poration"	-11,179:	-11,179:	-11,179:	
Transfers from other appro-				
priations (as shown in				
Budget schedules)	-65,562:	- -:	- -:	
Total estimate or				
appropriation	489,257:	514,002:	460,000:	

INCREASES OR DECREASES

The net decrease of \$144,002 for 1946 consists of the \$89,121 decrease for overtime and the following:

- (1) An increase of \$18,472 under the project "Preparation and distribution of agricultural information by exhibits," to revise existing exhibits, and to prepare up-to-date new exhibits in readiness for future exhibition seasons.

Objective: To provide for planning, and production of agricultural educational exhibits for display at fairs; to coordinate exhibit activities of the Department; and to provide technical advice and assistance to the Department as a whole and to all branches and offices of the Department in the use of educational exhibits as a medium for disseminating agricultural information.

The Necessity: In May 1942 conservation of the Nation's transportation facilities for war purposes made it advisable to suspend the Department's exhibits-at-fairs program, and work on such exhibits was temporarily terminated. This was reflected in an appropriation reduction in 1943 of \$19,668 and a further reduction in 1944 of \$20,832. Dissemination of agricultural information by means of exhibits at fairs may again be possible in the fiscal year 1947, but before this can be done it will be necessary to revise existing exhibits and prepare new exhibits prior to the fair season of that year.

Existing Department exhibits are either in special, early war dress now unsuitable or are incomplete for any showing. During the past two years, as a substitute medium, the Department has produced small window display type of exhibits in fairly large quantities for placement in store windows, bank and other building lobbies, railroad and bus stations, at meetings, etc. These require a minimum of transportation. It is planned to continue them to the extent available funds will permit during fiscal year 1945, and thereafter as long as they serve effectively in furthering the Department's information work.

It is also planned during fiscal year 1945 to do such revision work on existing exhibits as available resources will permit; however, exhibit funds have been curtailed to such an extent during the war period that only a very limited amount of work can be done until more funds are provided.

What is proposed to be done: By revision of existing exhibits and the preparation of new exhibits, four to six modern, attractive carload groups can be made ready for the 1946 (1947 fiscal year) exhibition season and with that number of suitable groups plus miscellaneous smaller units, 30 to 40 exhibitions of varying size can be accomplished and information by means of exhibits presented to a potential audience of some three million persons.

Revision and preparation of exhibits will be made to embody facts most essential to farmers, homemakers, and the public generally in form best adapted for use under exhibition conditions then prevailing. Negotiations will be entered into with exhibition occasions (fairs, etc.) for display of the exhibits and for sharing in the cost of transportation and display. In previous normal years cooperation provided by fairs has amounted to a value of \$30,000 to \$40,000. The additional technical, skilled and other personnel contemplated herein is the minimum required to provide the necessary working force to develop and carry out a Department exhibit program and provide basic capacity for accomplishing additional exhibit projects undertaken in the interests of various Department agencies and financed through use of the transfer authority included in the annual appropriation language for the Office of Information.

Department of Agriculture educational exhibits work utilizes all of the known principles of illustration by picture, diorama, legend, light, color, illusion, sound, and motion to interpret and present vividly and persuasively facts based on studies, research, and experimentation, and is carried on through extensive good will and valuable financial cooperation with fairs and other exhibition occasions. For these reasons it requires carefully selected personnel of diversified talent, education, training and experience.

- (2) Decreases under six projects, totaling \$74,783, reflecting reduction of the funds transferred from "Salaries and expenses, War Food Administration," for the special information program activities carried on as the over-all educational program of the War Food Administration.
- (3) An increase of \$1,432 under the project "Publications preparation and control" to meet on a full year basis in 1946 the presently estimated cost of mailing publications weighing in excess of 4 pounds to non-Federal public institutions, organizations, and private individuals, pursuant to Sec. 3, Public Law 364, 78th Congress. The First Supplemental Appropriation Act, 1945, included \$8,002 for this purpose for the last eleven months of the fiscal year 1945:

The enactment of Public Law 364, 78th Congress, requires that the cost of transmitting through the mails all publications weighing in excess of 4 pounds shall be paid to the U. S. Post Office Department in accordance with parcel post rates.

An average of over 3,000 requests for Department publications is received in the Office of Information each day from all sources. An analysis of requests from outside sources for 25 publications from February through July 1944, showed there were approximately 600 such requests during the 6 months' period. These requests involve mailings through the Superintendent of Documents of 575,000 publications in packages weighing 4 or more pounds. The number of publications requested ranged from a high of 193,300 in March 1944 to a low of 41,000 in July 1944. On the basis of this 6 months' analysis, it is estimated that approximately 1,150,000 publications in bulk lots will be requested from outside sources in the fiscal year 1946. These publications at an average weight of 3 ounces each will total a weight of approximately 215,625 pounds, to be shipped by parcel post at an estimated rate of a little less than 4-1/2 cents per pound. The estimated costs for eleven months in the fiscal years 1945 (\$8,650) and 1946 (\$9,434) are based on these calculations.

Practically all requests are for publications on food production, conservation and use; care of household and farm equipment; and health and nutritional guidance. A few requests are for copies of the Agriculture Yearbook and publications on miscellaneous subjects. The inquirers asking for publications in bulk are largely organizations such as State Departments of Agriculture, County Agricultural Commissions, State, County, and City Boards of Health, branches of the American Red Cross, local defense committees, and local nutrition and health groups.

The mailing cost of shipping publications requested in bulk for use by Department field offices and representatives, Extension agents, and some cooperators in administration and bureau programs, is paid from funds available to the administration or bureau requesting distribution of the publications.

Each request for a number of publications is examined in accordance with regulations of the Joint Committee on Printing and of the Department. An effort is made each time to determine that the number of publications is not in excess of the needs of the organization making the request, and that the subject of the publication would appear to be in accordance with the objectives of the organization making the request. The request with appropriate mailing labels bearing proper permit number is forwarded to the Superintendent of Documents for assembly, packaging, and mailing under postal requirements.

CHANGE IN LANGUAGE

The estimates include proposed changes in language for this item as follows (new language underscored, deleted matter enclosed in brackets):

* * * Provided further, That in the preparation of motion pictures or exhibits by the Department, not exceeding a total of \$10,000 may be used for [the temporary] employment [, by contract or otherwise, of specialists, technicians, and experts, without regard to the Classification Act of 1923, as amended] pursuant to the second sentence of Section 706(a) of the Act of September 21, 1944 (Public Law 425): * * *

This change is proposed for the purpose of citing specific reference to the substantive legislation on which the employment authority in this proviso is based.

WORK UNDER THIS APPROPRIATION

Objective: To coordinate and supervise the information work of the Department, including the War Food Administration, in order that the most useful facts on agriculture may be placed before farmers and others for effective use in the food program; and to report on the information needs of farmers to the Secretary of Agriculture, War Food Administrator, and the executive and technical staff of the Department so that programs may be focused on the most critical agricultural problems.

The Necessity: As stated in the Organic Act of 1862, the Department was established "to acquire and to diffuse among the people of the United States useful information on subjects connected with agriculture, in the most general and comprehensive sense of that word." From the beginning the information function has always been an integral part of all operations of the Department, so that the staff function of coordinating and managing all the information work of the Department, including the War Food Administration, services every phase of the Department's activities. The Office of Information in carrying out this staff function participates in helping farmers maintain production for war purposes; in helping farm and city families use food for improving health, and in assisting them to meet war shortages in farm and household supplies; in helping scientists and technicians through research publications and reports; and in helping farmers to plan for peacetime adjustments.

In addition, the Office of Information functions as a service agency for bureaus of the Department in fulfilling their publication, printing and general distribution needs, and performs a part of the Department's management functions in exercising leadership in controlling the use of printing and binding funds, in saving both funds and paper in the procurement of supplies of forms, publications, and duplicated material, and in distributing publications and current information materials. The Office of Information also has the responsibility for central control of mailing lists, release of information to press and radio channels, and coordination in preparation and release of motion pictures and exhibits.

Progress and Current Programs: All the functions of the Office of Information during the last year were focused on the task of helping to carry out agriculture's war responsibilities. A major part of the effort was concentrated on placing facts before large segments of our people to explain the need for increased food production, and methods for achieving increases through both production and conservation measures; and to explain the underlying need for buying plentiful foods in larger proportion of total purchases in order to assist with the equitable distribution of all foods to the armed forces, civilian population, and relief needs.

In addition to serving the Secretary and the War Food Administrator in a staff information capacity this Office acted directly as an arm of the War Food Administration to carry out special war information programs coordinated through the facilities of the Department, the Office of War Information, the Office of Price Administration, the Council of Advertisers, and cooperating food trades. The special war information programs may be grouped under six main headings:

Food Fights for Freedom program was designed to bring to all the people a general understanding of the need for maximum production of food, the necessity for avoiding waste of food and of conserving food to contribute to a greater supply, and the need for distributing the available supplies of scarce food commodities as equitably as possible. This program was carried out largely by employment of part-time consultants from the food industry and collaborators from the food distributing and related trades. Trade associations contributed approximately \$40,000 in printing, and supplied information material. Many individuals and firms contributed freely of their time and facilities to assist in distributing materials and explaining facts and objectives to cooperating advertisers. Approximately \$1,000,000 worth of newspaper advertising space was contributed to this program in daily and weekly papers throughout the country through last fall and winter. Approximately 200,000 retail food stores devoted space to war food messages during that time; car card space in street cars and busses estimated at commercial value at \$144,500 was also contributed. The estimated total audience for the war food messages on these cards, was 170,000,000 riders. Radio time devoted to this program was estimated at \$1,569,000 commercial rates. Also, outdoor advertising space contributed was estimated at \$224,400, and national advertisers on their own space and time added to the extent of an estimated \$4,825,000 at commercial rates.

No-point--Low-point information program was carried out with the cooperation of food distributive trades, hotels, and restaurants in late winter to stimulate purchases of the more plentiful foods which were not subject to rationing, or which had a low ration point value. Cooperating trade associations contributed approximately \$36,000 directly in materials and services. Some 200,000 retail food outlets aided in this program and considerable newspaper and trade advertising was contributed along with approximately \$150,000 worth

of radio time and talent. Reports from grocery associations and many food distributors indicate that this program had the support of a very high percentage of retail food outlets.

Grow more in '44 information program revolved around stimulation of promotional efforts to show the importance of increasing production of foods in 1944, and was carried on by supplying information to field workers contacting farmers showing the need for and uses of commodities important to the war effort, by supplying promotional type information to national advertisers, supplying newspaper mats for use among metropolitan newspapers, and by allocation of radio time for spot announcements and program features. This program was timed to run concurrently with information and promotional effort to increase the potential supply of farm labor for planting and cultivating crops, as well as to lay the ground work for continuing effort through the summer in obtaining city labor for help on farms during the harvesting seasons. As one example of this program, approximately \$160,000 in newspaper advertising space was sponsored in metropolitan papers. A sample survey of housewives in cities over 500,000 population shows that information on this program reached 90 percent of those interviewed.

The food conservation information program was also carried on largely by supplying promotional material to national advertisers and large newspaper ads for metropolitan papers and allocation of radio time. This war information program emphasized the conservation of scarce commodities and greater use of seasonally plentiful foods to prevent waste and encourage continued production at levels that would assure adequate wartime supplies. A sample survey showed 92 percent of housewives were reached in the program.

Victory garden information program was woven into the Grow More in '44 and the Food Conservation programs. However, it was given a separate allocation of time on radio networks as a special phase of both programs.

Nutrition information program--The preliminary work which has been completed included the preparation of explanatory material for use by national advertisers and by food manufacturers and distributors, preparation of newspaper ads, allocation of radio time, and materials for use by local nutrition committees.

Present fiscal year plans include special information programs on marketing of plentiful foods which will extend through most of the year, a renewed information program for production of food in victory gardens, fulfillment of planned activity for the nutrition program, continuation of special educational effort to promote preservation and conservation of food, along with the underlying theme of continuing to stress the importance of food in the war effort and in post war planning.

Distribution control activities: The Office of Information in the early part of the 1944 fiscal year more closely integrated the distribution of war information materials by more direct planning and scheduling of current information on war problems among the several bureau information staffs. Background statements or spot information on such matters as commodity trends, price relationships, current needs in production, marketing, storage, farm machinery use, market gluts or other difficulties needing quick solution were planned for selected distribution through all Department channels so as to achieve the widest use and quickest and most direct application to local situations. Early in the present fiscal year this distribution control was extended to information materials on post war subjects.

The complete mobilization and control of distribution prevented duplication in ordering copies, and prevented paper waste arising from over-ordering and reprinting. This integration of distribution was intensified to include close control of paper use later in the fiscal year as the supply of all paper tightened. All orders for printing of information material and all orders for duplicating whether administrative or information were included under this control. Every order was examined to determine the need for the material, the need for all copies ordered, use of single spacing, use of both sides of the paper, narrow margins, and the grade of paper necessary. This resulted in a material saving of paper during the year. While data are not available for the entire year, it is estimated that cumulative paper savings amounted to 25 percent from January through October 1944. A study in the third quarter of the 1944 fiscal year showed a saving of approximately 24-1/2 tons of paper by limiting number of pages, reducing number of copies, adjusting to a more economical format, and withholding clearance of some items not pertaining to the war effort.

Volume of requests for information, publications, etc.: Requests for Farmers' Bulletins, war information circulars, technical bulletins and other publications of the Department in the 1944 fiscal year totaled 1,056,000, compared to 992,000 in 1943. Employment was adjusted to handle this increase in volume of requests and to cut down the delay in answering incoming letters, which at times in previous years piled up a backlog as much as 30 days. The flow of incoming requests by mail, by telephone, calls in person, and on bureau orders came in at an average rate of about 60,000 per month from July to December 1943, but began to rise in January through one peak of 178,400 in March and a second peak of 160,000 in June, averaging about 116,000 for the six months January through June 1944. To adjust to this variance in workload, temporary employees for publication distribution were engaged at the rate of approximately 850 man days during the July-December period, and at the rate of 1,580 man days during the January-June 1944 period. Employment of high school students on Saturdays for volume typing was made possible by processing some requests up to the typing stage during the other days of the week. By this means the backlog of unanswered requests was cut down under 10 days. Throughout the year all Congressional requests were promptly handled in accordance with the request of the House Appropriations Committee.

This improvement in handling distribution of publications may be difficult to maintain because of additional operations necessary under the new penalty mail law (Public Law No. 364). Many requests for publications from such sources as state departments of agriculture, libraries, colleges and schools will require examination to determine whether the weight of the wanted publications is under or in excess of 4 pounds, before sending orders to the Superintendent of Documents for packaging and mailing. Detailed accounting of mailings will also be required for proper control and administration.

Handling of printing operations: Printing operations by this Office for the Department are being conducted at an accelerated rate. For example, 4,211 requisitions for printing were handled through the Printing Section of the Office of Information during the fiscal year 1944, as compared to 3,393 in the 1943 fiscal year. In general a large proportion of these orders called for shorter time schedules, because of a wider range of forms for program operations on war matters, and because of efforts to hold orders down to minimum current needs in order to keep more paper available in the total national supply for all uses. Many orders for letterhead printing were held back or cut down to save paper, and some obsolete letterheads were reprinted to reclaim the paper. An average of 1,400 pounds of paper and \$414 per month (Nov. 1943-July 1944) were saved in handling printing requests for forms and letterheads. This was done by changing stock, eliminating special wants to cut number of printing steps, changing number of unit sheets in books or forms, changing page sizes, changing numbering methods, and changing wrapping units. Plans are underway to assist bureaus in scheduling shipments of printed materials (chiefly program forms) to further conserve transportation facilities and conserve shipping expense. It is anticipated that operations under the new penalty mail law will increase the workload on the Office's printing operations, probably to the extent of out-weighting increase in speed and efficiency made possible by longer working hours and by recent measures to encourage bureau printing representatives to apply printing and paper conservation measures. Progress has been made in working out schedules for decentralizing some printing with the cooperation of the Government Printing Office.

Motion pictures: In collaboration with bureaus and offices of the Department, eleven motion pictures were produced during the past fiscal year on such subjects as dehydration of foods; importance of working on farms as a war aid; means of storing and saving the garden crop; importance of more milk from small dairy herds; canning home grown foods; importance of safety measures when working in woods and forests; and importance of controlling crop insects and diseases as a food production measure. For this year twelve motion pictures are planned to carry forward the Department's information work. In addition the motion picture service is giving technical assistance and making its facilities available to individual bureaus for production of motion pictures with their own personnel. These include pictures to explain the best methods of feeding livestock to obtain higher meat return and more efficient use of feed; the methods of arriving at agricultural goals as a means of stimulating production; better nutrition; improved methods of haymaking to obtain highest feed content; improved home gardening methods; the

problems involved in securing profitable farms for war veterans; and the work of agricultural research. Several Department films have been purchased by other Governments for home showing in their own countries and over 200 prints of the Department film titled "Dehydration" were purchased by the U. S. Army for showings to soldiers to demonstrate that dehydrated foods have full nutrition value as well as sanitary preparation. One other picture was adapted by the Office of War Information for showing in 26 countries. Plans are being made to consider with bureau officers, a program of motion pictures which will encompass the best suggestions received from state agriculture representatives. They suggest such topics as care of livestock, hillside farming methods; land use and dairying.

Exhibits: Demand for the small window-display type of exhibit has continued during the last year. Examples of those produced include displays on stop food waste, one to be used as a recruiting aid for farm workers which was distributed to Extension Directors in all States, a third on nutrition and one- and two-panel displays on use of logs and pulpwood for war purposes. The Exhibits Service produced for public display an exhibit emphasizing the contributions to agricultural progress by Thomas Jefferson, in connection with the bicentenary of his birth. Similar exhibits are planned this year, but effort will be devoted also to keeping in touch with planning by the exhibitors associations and to begin drawing plans for agricultural exhibits for the 1946 season.

Press and radio service: The higher level of activity in the Press Service of the Office continued through the past year because of a wider range of wanted information and more demands for immediate information on current activities. Contacts with war agencies, particularly on food rationing and price measures were constantly on the increase as shifts have taken place in the demand for different food commodities and their use in supplying the needs of the Armed Forces, civilian workers, and populations of allied nations. Issuance of a daily news summary continues as a means of supplying most needs for current information on the Department's operations, and at the same time provide an alternative to many requests for necessary releases on mailing lists.

The Radio Service continued to coordinate the use of radio by Department agencies; prepared, edited, and cleared radio scripts; scheduled speakers for network broadcasts; and issued services to individual radio stations. Curtailing the Department's participation in the Farm and Home Hour from six days per week to one period each Saturday was the outstanding change in the Radio Service's operations. As a practical substitute for this cut in national network time, the Radio Service will have to make more transcribed programs for use by Extension workers, other field representatives of the Department, and cooperating stations.

Emphasis in radio activities was placed on (1) supplying farmers with information about wartime farm production and Government programs to assist them in meeting war needs for food and fiber; (2) supplying homemakers with information to assist them in wise management of available food supplies and other home management problems brought about by the war; (3) information the general public on problems and progress in production and use of food.

On network programs the Radio Service arranged and produced a five-day-a-week, ten-minute period on the National Farm and Home Hour; arranged for 118 talks in other network programs by USDA and WEA people. In addition, a weekly summary of currently important food news was presented in the Serrel Fashions and Rations program over the Columbia Broadcasting System.

On individual station programs, radio departments of the press associations were regularly supplied with information for use by their client stations. Regular service was maintained to State Extension editors for use in coordinated Federal-State broadcasts on individual stations.

A letter to station farm directors was sent weekly, giving tips and background information to guide them in planning their service to farmers. A five-day-a-week script service of information for women's programs was maintained. This year saw a considerable growth in the preparation and distribution of transcriptions for use in individual station farm programs.

(b) Printing and Binding

Appropriation Act, 1945	\$1,100,000
Transfers, 1945, from other appropriations (shown in detail below).....	285,000
Total available, 1945	1,385,000
Budget estimate, 1946:	
Direct appropriation	\$1,000,000
Transfers, 1946, from other appropriations (see detail below)	225,000
Total available, Budget estimate 1946	1,225,000
Change for 1946	-160,000

PROJECT STATEMENT

Project	1944	1945 (estimated)	1946 (estimated)	Increase or decrease
1. <u>Job Work and Binding:</u>				
(a) Binding	40,338:	41,800:	36,800:	-5,000
(b) Emergency field printing	12,858:	14,200:	11,200:	-3,000
(c) Job work	589,422:	604,000:	574,000:	-30,000
(d) Letterheads	13,962:	15,000:	13,000:	-2,000
Total	656,580:	675,000:	635,000:	-40,000 (1)
2. <u>Reports, periodicals and other regulatory, service and administrative publications:</u>				
(a) Agriculture in the Americas	5,993:	5,900:	5,900:	-
(b) Agricultural Decisions	7,263:	7,800:	7,000:	-800
(c) Agricultural Situation	14,017:	14,000:	13,000:	-1,000
(d) Annual Reports	9,485:	9,000:	9,000:	-
(e) Administrative Series	2,288:	2,000:	2,000:	-
(f) Bibliography of Agriculture	9,911:	10,500:	9,500:	-1,000
(g) Congressional Documents	7,710:	7,710:	7,710:	-
(h) Consumers' Guide and Suppl.	26,398:	26,820:	19,620:	-7,200
(i) Crops and Markets	8,953:	9,500:	9,500:	-
(j) Experiment Station Record	19,555:	20,000:	18,000:	-2,000
(k) Extension Service Review	5,902:	5,500:	5,500:	-
(l) Farmers' Bulletin Lists	10,318:	8,500:	8,500:	-
(m) Foreign Agriculture ..	1,395:	1,800:	1,800:	-
(n) Indexes	2,515:	2,000:	2,000:	-
(o) Instructions and Administrative Reports...	6,885:	7,100:	6,000:	-1,100
(p) Journal of Agricultural Research	4,364:	4,400:	4,400:	-

PROJECT STATEMENT - Cont.

Project	1944	1945 (estimated)	1946 (estimated)	Increase or decrease
(q) Land Policy Review ...	1,697:	1,850:	1,850:	- -
(r) Monthly List of Publications	2,020:	2,220:	1,520:	-700
(s) REA News	10,620:	11,000:	11,000:	- -
(t) REA News Separates ...	7,220:	4,000:	4,000:	- -
(u) Soil Conservation Magazine	7,046:	8,000:	8,000:	- -
(v) Service and Regulatory Announcements	4,179:	4,600:	4,000:	-600
(w) Secretary's Regulations:	1,000:	1,000:	1,000:	- -
(x) Unnumbered Publications:	11,646:	8,800:	8,200:	-600
(y) USDA	6,536:	6,000:	6,000:	- -
Total	194,916:	190,000:	175,000:	-15,000 (2)
3. <u>Research and Technical Bulletins:</u>				
(a) Bibliographical Bulletins	3,170:	2,500:	2,500:	- -
(b) Circulars - New and Reprints	10,723:	7,000:	7,000:	- -
(c) Commodity Statistics (O.D.)	2,590:	2,000:	2,000:	- -
(d) Experiment Station Bulletins and Reprints.	1,275:	750:	750:	- -
(e) Journal of Agricultural Research Separates	12,706:	12,000:	10,000:	-2,000
(f) Physical Land Surveys - SCS	7,267:	5,000:	5,000:	- -
(g) Reprints and Revisions, General	2,533:	1,000:	1,000:	- -
(h) Reprints of Outside Articles	3,368:	3,000:	3,000:	- -
(i) Soil Surveys	65,414:	53,500:	53,500:	- -
(j) Statistical Bulletins	2,592:	1,550:	1,550:	- -
(k) Statistical Reports (Y.R.)	17,362:	15,000:	15,000:	- -
(l) Statistical Separates	1,200:	1,200:	1,200:	- -
(m) Technical Bulletins - New and Reprints	21,162:	15,500:	12,500:	-3,000
Total	151,362:	120,000:	115,000:	-5,000 (3)
4. <u>Farmers' Bulletins and other Popular Publications:</u>				
(a) Agricultural Information Series	- -	2,000:	2,000:	- -
(b) AWI Series - New and Reprints	77,210:	103,000:	78,000:	-25,000
(c) AAA Publications, regional	583:	1,000:	1,000:	- -
(d) BAE-Ext. Fliers	270:	1,000:	1,000:	- -
(e) Farmers' Bulletins, New:	17,850:	37,000:	33,000:	-4,000

PROJECT STATEMENT - Cont.

Project	1944	1945 (estimated)	1946 (estimated)	Increase or decrease
(f) Farmers' Bulletins, Reprints and Rev.	70,746:	99,000:	81,000:	-18,000
(g) Farmers in the War ...	938:	1,500:	1,500:	- -
(h) Federal Crop Insurance Pubs	- -:	- -:	- -:	- -
(i) Leaflets - New	1,785:	3,700:	3,700:	- -
(j) Leaflets - Reprints and Rev.	2,570:	3,600:	3,600:	- -
(k) Misc. Publications - New and Reprints	62,450:	85,000:	57,000:	-28,000
(l) Posters	42,700:	60,000:	35,000:	-25,000
(m) REA Publications	879:	2,200:	2,200:	- -
(n) Yearbook Separates ...	790:	1,000:	1,000:	- -
Total	278,771:	400,000:	300,000:	-100,000 (4)
Total obligations, printing and binding	1,281,629:	1,385,000:	1,225,000:	-160,000
Unobligated balance	198,371:	- -:	- -:	- -
Total available	1,480,000:	1,385,000:	1,225,000:	-160,000
Transfers in 1946 estimates:				
"Salaries and expenses, War Food Administration".	-30,000:	-85,000:	-25,000:	
"Exportation and domestic consumption of agricul- tural commodities"	-175,000:	-175,000:	-175,000:	
"Conservation and use of agricultural land re- sources"	-75,000:	-25,000:	-25,000:	
Total estimate or appropriation	1,200,000:	1,100,000:	1,000,000:	

INCREASES AND DECREASES

The decrease of \$160,000 in total available funds in 1946 consists of:

(1) Decrease of \$40,000 in job work and binding as follows:

(a) Reduction of \$5,000 in binding to be effected by continuing to defer binding not absolutely essential in war time.

(b) Reduction of \$3,000 due to fewer demands for emergency printing in the field.

(c) Reduction of \$30,000 in job work resulting from progressive standardization and consolidation of administrative forms, and a decrease in the number of different forms printed under transferred funds.

- (d) Reduction of \$2,000 due to a further standardization of letterheads.
- (2) Decrease of \$15,000 in printing of fewer periodicals and reports resulting from curtailment of mailing lists for periodicals and reports.
- (3) Decrease of \$5,000 in printing separates from the Journal of Agricultural Research, and new technical bulletins and reprints.
- (4) Decrease of \$100,000 in Farmers' Bulletins and other popular publications composed of:
- (a) A reduction of \$78,000 in printing of AWI series publications, posters and miscellaneous publications \$60,000 of which relate to the special information programs for the War Food Administration.
 - (b) A further reduction of \$22,000 for fewer copies of Farmers' Bulletins and reprints.

WORK UNDER THIS APPROPRIATION

Objective: To procure annually the wide variety of forms, schedules, and certificates indispensable to the operation of the agricultural programs, for which the Department is responsible; to secure the printing necessary to make available to farmers information for gearing in their operations with the established national production goals which must be reached to insure the success of the war food program; to make available to the public generally essential wartime consumer information on conservation and use of farm products; to keep Department staff workers and collaborators in Washington and in the field advised of agricultural program developments; to make known the results of research conducted in Department laboratories and field experiment stations.

The Necessity: The Department's programs, especially those dependent to a high degree on widespread farmer participation for success, require annually a large number of operating forms and printed publications. Responsibility is centralized in the Office of Information for getting the maximum benefit from printing funds, and for procuring promptly and in sufficient quantities from the Government Printing Office or from commercial sources, when necessary, forms and printed matter indispensable to program and day-to-day work; by so controlling and planning the printing expenditures, it is possible for all types of printing requirements to be met to a maximum extent and to effect economies by consolidating printing orders and by adopting measures resulting in paper and composition savings.

Progress and Current Activities:

Printing and Binding: The decrease of \$100,000 in the Department printing and binding fund reflects an apparent decrease of 9 percent in volume of printed materials, but it actually represents a much larger decrease because of increases in unit printing costs both in the Government Printing Office and in printing plants supplying forms on

contract. Recent figures show that Department purchases of paper in publications and printed forms have been reduced more than half in the years 1942, 1943, and 1944.

Progressive efforts to hold all needs for printed materials down to essential requirements were applied during the last year to conserve decreasing paper supplies, as well as to manage printing funds most economically. Expenditures for job printing and binding decreased due primarily to a reduction in the use of transferred funds, a reduction in number and purchases of letterheads, and reductions brought about by controlling the procurement of program forms.

Previous year reductions in the size and number of reports and periodicals were maintained during 1944. Budget limitations and increased printing costs on several periodicals resulted in reducing the number of pages of several issues.

Usefulness in wartime was applied continuously as a test to determine the need for technical, scientific and all other types of publications. For example, requests for 27 publications, totalling 655,000 copies were disapproved between January and July 1944. Publications issued were concerned directly or indirectly with some phase of agriculture war program. Examples of these are: Victory Garden Leaders Handbook, Making High Grade Hay, Save Cotton by Controlling Insect, Save Weather Damaged Soy Beans, Family Food Plans for Good Nutrition, War Demands Salvage and Reuse of Fruit and Vegetable Containers, Mobilizing Help to Save Crops, Harvest Sprays for Control of Fruit Drop, Preventing Insect Damage in Home Dried Fruits, Sagebrush Burning--Good and Bad, Stage Icing in Refrigeration of Oranges in Transit from California, and Mr. Farmer, Send Your Logs to War. In addition, a number of publications on war subjects were reprinted, such as Cooking Poultry, Salting and Brining, and Wartime Feed Mixtures for Chickens.

Reports, Periodicals, and Other Regulatory, Service, and Administrative Publications:

Following is a brief description of the nature and purpose of each report, periodical, and publication, or series thereof:

(a) Administrative Series: Concise publications varying in format that carry helpful information to the Department employees regarding better methods, techniques, and equipment for carrying on their work, particularly that of routine nature. Stimulating ideas are suggested for use in the various aspects and problems of administration. An example is AS-2, "Correspondence Style Manual."

(b) Agriculture in the Americas: A monthly journal carrying informative articles about agricultural crops and conditions throughout the Americas. It is considered helpful in promoting a better understanding of agricultural problems and the need for Inter-American cooperation in solving them. The distribution is primarily to the institutions and workers officially concerned in helping out with this cooperation.

(c) Agriculture Decisions: A monthly record of the decisions of the Secretary of Agriculture under the regulatory laws administered in the Department of Agriculture, including court decisions.

(d) Agricultural Situation: To inform key groups of the economic situation with respect to agriculture. It includes statistics on production, movement, consumption, prices and purchasing power of commodities and is sent monthly to crop reporters, economists, technical workers, department officials, extension agents, and cooperating agricultural agencies.

(e) Annual Reports: Abbreviated account of the work of those agencies which are either required by law to publish a report of the work done each year or find it necessary to do so in order to supply information to those interested. Permanent records, in convenient form, of the work of the Department.

(f) Bibliography of Agriculture: A monthly periodical containing information about the world's current agricultural literature in concise and convenient form. A very useful tool for agricultural officials, administrators, research workers, writers, and librarians in their work.

(g) Congressional Documents: Congressional Record and congressional bills, resolutions, reports, and directories, obtained for official use by Department personnel.

(h) Consumers' Guide: Circulated to key groups and individuals who serve as focal points in disseminating further information of value to consumers.

(i) Crops and Markets: Statistical information issued monthly on crop and livestock estimates, markets and market conditions, and reports on supplies and crop and animal production, commercial supplies and prices.

(j) Experiment Station Record: A monthly summary in brief abstract form of the Agricultural research material published each month by the State agricultural experiment stations, the Department, and private and public agencies.

(k) Extension Service Review: A monthly medium for the exchange of ideas and information among county agents and other extension workers concerned in the dissemination of useful agricultural information, particularly about new methods and practices for war production and agricultural labor needs.

(l) Farmers' Bulletin Lists: Furnished to Members of Congress, extension agents, and farmers to show current available publications.

(m) Foreign Agriculture: A monthly periodical carrying informative articles about the agricultural situation throughout the world, including production, consumption, prices, imports and exports, and current policies of foreign governments with respect to agriculture.

(n) Indexes: A necessary record for the users of Department publications. Aids in economy by referring to specific publications.

(o) Instructions and Administrative Reports--Field Workers, AAA and WFA: Chiefly letters or pamphlets of administrative nature carrying instructions and giving directions about procedures for AAA county men and field workers in administering the Department's conservation and adjustment programs.

(p) Journal of Agricultural Research: A semimonthly publication carrying official research articles of basic and fundamental nature, prepared by workers in the Department of Agriculture and State agricultural experiment stations. Distributed to very selective lists of users.

(q) Land Policy Review: Reports significant results of research and study in fundamental agricultural problems; issued quarterly.

(r) Monthly List of Publications: A list of the new and revised publications issued each month by the Department of Agriculture.

(s) REA News: A monthly periodical that provides current information on the progress of the rural electrification program.

(t) REA News Separates: Reprinted articles deemed especially useful for wider dissemination to the consumers of electricity on REA cooperative lines.

(u) Service and Regulatory Announcements: Orders and notices of a mandatory character required in carrying out regulatory programs.

(v) Secretary's Regulations: Regulations, orders, and notices issued by the Secretary of Agriculture in relation to agricultural prices, programs, and practices.

(w) Soil Conservation: Contains administrative information to members of the field staff of the Soil Conservation Service and provides specialists of the Service and cooperating agencies with current technical and scientific knowledge in soil conservation and related fields.

(x) Statistical Report (Agricultural Statistics): Annual publication devoted to statistics on the production, supply, marketing, consumption, value, prices, and related information on agricultural products throughout the world.

(y) Unnumbered Publications and Reports and Reprints: Material of specialized character for administrative use and of restricted distribution or of temporary usefulness. Two examples are: "Let's Talk About Farm Labor and the Wartime Job" Discussion Series No. 23. "Food Consumption Levels in the United States, Canada, and the United Kingdom, Second Report."

(z) USDA: A semimonthly news sheet intended to inform all employees in the Department of policies, official actions, administrative plans, methods, and procedures, of necessary wartime operations, and on reorganizations deemed necessary for the proper transaction of the public business.

Research and Technical Bulletins.

Following is a brief description of the nature and purpose of each bulletin, or series thereof:

(a) Bibliographical Bulletins: A series started in wartime to meet the demand for informational sources and references on subjects thus far of primary interest in relation to the war. An example is: Bibliographical Bulletin No. 6, "Bibliography on Dehydration of Foods, 1938-43."

(b) Circulars: Semitechnical reports on current results of some of the research work of the Department. Two examples are: Circular No. 710, "Effects of Fire on Gum Yield of Longleaf and Slash Pines," and Circular No. 713, "Freezing Injury of Fruits and Vegetables."

(c) Commodity Statistics: A series carrying data on important agricultural crops and commodities showing present status and longtime trends, compiled by the War Food Administration. An example is: Commodity Statistics No. 9, "Dairy and Poultry Market Statistics, 1943."

(d) Experiment Station Bulletins and Reports: The series in which are reported the research results obtained at the insular research experiment stations, and also the annual reports of those stations.

(e) Journal of Agricultural Research Separates: The articles in the Journal each of which is published separately so they may be readily obtained by purchase by scientists interested in them, as the Journal itself is not sent free to individuals.

(f) Physical Land Surveys, SCS: A series containing reports of surveys of the land in soil conservation districts to determine the soil types, slopes, past erosion, and the future erodibility of the area. The data obtained are closely related to the different land classes and the maximum use of the soil for crop production under the recommended soil-conserving practices. An example is: Physical Land Survey No. 32, "Physical Land Conditions in Muskingum and Guernsey Counties, Ohio."

(g) Reprints and Revisions (general): Reissues of the older publications of the Department in discontinued series which are still in demand, such as Department Circulars and Miscellaneous Circulars.

(h) Reprints of outside articles: Technical and scientific material published in outside journals and periodicals which the bureaus require for official use. Purchase of small numbers of these is authorized in the Department appropriation for printing and binding.

(i) Soil Surveys: Survey maps and textual information used in connection with the coordination of broad land-use programs of the Department and cooperating agencies; especially useful in program formulation and Extension Service, colleges of agriculture and experiment stations and Federal and private credit agencies.

(j) Statistical Bulletins: A series of publications carrying various tabular data assembled in relation to the subject matter under study. An example is: Statistical Bulletin No. 80, "Stumpage and Log Prices - Calendar Year 1943."

(k) Technical Bulletins, new and reprints: The published results of the authorized research work done by the Department, either alone or in cooperation with State or other experiment stations and agencies. Two examples are: Technical Bulletin No. 856, "Effects of Phosphorus Supplements on Cattle Grazing on Range Deficient in This Mineral," and Technical Bulletin No. 877, "Wheat Varieties Resistant to the Hessian Fly and Their Reactions to Stem and Leaf Rusts."

Farmers' Bulletins and Other Popular Publications.

Following is a brief description of each bulletin or publication, or series thereof:

(a) AAA - Publications, Regional: Information prepared for dissemination to farmers participating in the farm programs and for those of the general public using such material.

(b) AWI - New and Reprints: Brief pamphlets with material in concise, readable and understandable form carrying helpful hints and suggestions on farm production, conservation, and utilization of materials, and on health and nutrition, primarily to stimulate efforts to win the war. Three examples are: AWI No. 33, "War Demands Salvage and Re-Use of Fruit and Vegetable Containers," AWI No. 105, "Shall I Be a Farmer?," and AWI No. 106, "Mobilizing Help to Save Crops."

(c) Agricultural Information Series: This series is intended to serve as a medium of information, instruction, and guidance for the post-war period as the Agricultural War Information series has done and is doing during the war. The publications will be brief, pointed, and helpful. An example is: AIS No. 1, "International Trade Increases Demand for Farm Products."

(d) BAE-EXT, Fliers: Economic information intended primarily for use in extension work on the various aspects and problems of farm production, care of equipment, and utilization of manpower and farm products. An example is: BAE-Ext. Flier No. 7, "Soybeans Go to War."

(e,f,i,j) Farmers' Bulletins and Leaflets - New and Reprints: Long-standing well-known, and widely distributed publications containing practical information on numerous subjects pertaining to the farm and home. Four-fifths of all Farmers' Bulletins, according to law, are subject to distribution by Members of Congress. Three examples are the following: F.B. No. 1958, "Potato Production in the Northeastern and North Central States," F. B. No. 1961, "Getting Started in Farming," and F.B. No. 1963, "Dresses and Aprons for Work in the Home."

(g) The Farmer and the War: A series of brief pamphlets interpreting the effects of the war on farm prices, land values, taxation, etc. An example is: Farmer and the War No. 6, "Negro Farmers in Wartime Food Production."

(h) Federal Crop Insurance Publications: Annual Report only in 1944. No publications thus far in 1945.

(k) Miscellaneous Publications, New and Reprints: A series designed to accomodate material better presented in other than the regular octavo size. It is diverse in character as well as format. Three examples are the following: M.P. No. 521, "The Control of Reservoir Silting," M. P. No. 546, "Principles of Nutrition and Nutritive Value of Foods," and M.P. No. 555, "The National Turkey Improvement Plan."

(l) Posters: Display material for special use in connection with campaigns or action programs initiated by the Department or the War Food Administration. Examples are the forest fire prevention and victory garden programs.

(m) REA Publications: Material of special value in connection with REA projects.

(n) Statistical Separates: Material on special subjects contained in the annual volume on agricultural statistics. Printed separately to save expense and for the convenience of those interested only in special subjects.

(c) Reproduction of 1942 Yearbook of Agriculture

This budget schedule covers obligations under the non-recurring item of \$178,000 contained in the 1944 Appropriation Act for the reprinting of 231,250 copies of the 1942 Yearbook of Agriculture as the remainder of the quotas for the Senate and House of Representatives.

Requisition for reprinting of this Yearbook was placed in July 1943, and deliveries were started in October 1944 at the rate of 5,000 per week. As of January 24, 1945, 73,000 copies have been delivered, leaving a remainder of 158,250 copies for future delivery.

STATEMENT OF OBLIGATIONS UNDER SUPPLEMENTAL FUNDS
(1944 and 1945 figures include overtime costs)

Project	Obligations, 1944	Estimated obligations, 1945	Estimated obligations, 1946
<u>Supply and Distribution of Farm Labor:</u>			
For informational services for			
the Office of Labor, War Food			
Administration <u>1/</u>	\$3,841:	\$10,000:	- -

1/ Appropriation made on a calendar-year basis, in a separate act. Present law provides funds for calendar year 1945, which extends through first half of fiscal year 1946. However, no detailed breakdown is shown in 1946 column of Budget.

PENALTY MAIL
Section 2, Public Law 364, 78th Congress
(Allotment to Office of Information)

	<u>Category 1</u>	<u>Category 2</u>	<u>Total</u>
1945	\$61,940	\$1,510	\$63,450
1946	61,940	1,510	63,450
Change	- -	- -	- -

Category 1 consists of:

- (a) Department periodicals sent only to addressees who have specifically requested that they be retained on mailing lists which are continually circularized to keep the numbers to a minimum. Includes Agriculture in the Americas, Agricultural Decisions, Agricultural Situation, Consumers' Guide and Supplement, Crops and Markets, Experiment Station Record, Extension Service Review, Foreign Agriculture, Journal of Agricultural Research, Land Policy Review, Monthly List of Publications, Soil Conservation Magazine, and USDA.
- (b) Initial mailings of new publications of Farmers' Bulletins, leaflets, miscellaneous circulars, research bulletins, etc. Initial distribution of these publications are based on (1) current lists of depository libraries, foreign embassies, technicians and research workers, and (2) lists furnished by the originating bureau covering Directors of Experiment Stations, Directors of Extension, State Departments of Agriculture, Vocational Agricultural Teachers, State Foresters, scientific organizations and others known to be interested in the particular subject of the publication.
- (c) Individual requests for publications to be mailed by the Superintendent of Documents.
- (d) Current information, such as, War Letter for Agriculture, radio farm flashes, copies of Farm and Home Hour scripts, information letters for women's page editors, USDA Summary, etc. The USDA Summary, which is a summary of the contents of important Department reports, bulletins, or statements, such as monthly Crop Report, press releases, etc., is sent to field offices, State AAA Committees, Extension Directors and leaders, County Agents and certain organizations, editors, collaborators and others who request it. Experience has shown that the use of this summary avoids the necessity for sending many of the complete reports and statements, thus saving paper and manpower.

Category 2 includes correspondence and business transactions of the office, form letters regarding availability of publications and replies to requests for information.

LIBRARY, DEPARTMENT OF AGRICULTURE

(a) Salaries and Expenses

Appropriation Act, 1945	\$543,233
First Supplemental Appropriation Act, 1945 (for bulk mailing costs, Section 3, Public Law 364)	+6,938
Transfer, 1945, from "Administrative expenses, Commodity Credit Corporation"	+750
Total available, 1945	550,921
Budget estimate, 1946:	
Direct appropriation	\$467,900
Transfer to be available in 1946 from "Administrative expenses, Commodity Credit Corporation"	+750
Change for 1946:	468,650
Overtime decrease	-83,901
Increase	+1,630
	-82,271

PROJECT STATEMENT

Project	1944	1945 (estimated)	1946 (estimated)	Increase or decrease
1. General administration ...	\$38,527	\$40,876	\$40,876	-
2. Acquisition of publications: and preparation for use ..	133,325	139,963	141,593	+1,630 (1)
3. Bibliographical services ..	85,125	83,716	83,716	-
4. Reading and reference services	77,569	77,653	77,653	-
5. Field library services ...	124,765	124,812	124,812	-
6. Overtime costs	83,218	83,901	-	-83,901
Unobligated balance	1,153	-	-	-
Total available	543,682	550,921	468,650	-82,271
Received by transfer from				
"Administrative expenses, Commodity Credit Corporation"	-750	-750	-750	
Total estimate or appropriation	542,932	550,171	467,900	

INCREASES OR DECREASES

The net decrease of \$82,271 in this item for 1946 consists of \$83,901 decrease for overtime, and

(1) An increase of \$1,630 under the project "Acquisition of Publications and Preparation for Use" to meet on a full-year basis in 1946 the estimated cost of shipping mail weighing in excess of four pounds pursuant to Section 3, Public Law 364, 78th Congress. The First Supplemental Appropriation Act, 1945, included \$6,938 for this purpose for the last eleven months of the fiscal year 1945.

The packages weighing in excess of four pounds include (1) publications available only at the Department Library in Washington, and (2) publications on other than agricultural subjects mailed from the Library of Congress, both types being mailed, on request, to Library branches, sub-branches, and field stations, where it is neither feasible nor economical to build up collections sufficiently large to satisfy all local needs of the Department's field staff. Based on prior years' experiences, it is estimated that approximately 12,100 pieces will be mailed weighing in excess of four pounds.

CHANGE IN LANGUAGE

The estimates propose the deletion of the following proviso under this appropriation:

Provided further, That the Secretary is authorized to make copies of bibliographies prepared by the Department library, microfilm and other photographic reproductions of books and other library materials in the Department and sell such bibliographies and reproductions at such prices (not less than estimated cost of furnishing same) as he may determine, the money received from such sales to be deposited in the Treasury to the credit of this appropriation.

Authority for these services is now contained in the "Department of Agriculture Organic Act of 1944", approved September 21, 1944 (Public Law 425), and retention of the language in the annual appropriation act is, therefore, unnecessary.

WORK UNDER THIS APPROPRIATION

Objective: To maintain a national agricultural library through providing means for the collection, organization, and use of the valuable information contained in agricultural literature to aid in the formulation and execution of agricultural programs.

Significance and Necessity: Effective library operations help to avoid duplication of research and costly mistakes by bringing to bear on all research, administrative and agricultural production, distribution and related problems the wealth of experience and judgment recorded in agricultural literature. It is necessary, therefore, to acquire through purchase, gift, and exchange, agricultural scientific, technical and economic books and periodicals needed in the work of the Department; to make the contents of the Library readily available by classification, cataloging, indexing and otherwise; to administer all of the library and bibliographical work of the Department in Washington and in the field; to compile bibliographical tools for the use of the Department staff and others both in Washington and the field; to procure copies, on film or otherwise, of material required to fill gaps in the collections; to provide translations of correspondence and articles from foreign languages; to extend to the field staff of the Department, library service comparable to that rendered in Washington; to provide information requested by agricultural workers in the land-grant colleges and experiment stations; and to serve as a liaison agent between all field staff and the library facilities in their localities as well as in Washington.

The Department of Agriculture Library is the only active Federal library service in this field, and the principal source of agricultural literature.

General Plan: Through a central library in Washington and nine branches and several sub-branches throughout the country, the Library serves the staff of the entire Department, as well as making its services available to public and private agencies and individuals interested in agriculture. The Library is endeavoring to support research and action programs of the Department to the extent to which they must be provided with Library service if they are to function without wasteful duplication of effort and unnecessary repetition in research. Through a specialized and intensive bibliographical service, the Library is providing bibliographies which make available to the men in the field the content of literature received, and is providing special research to precede administrative decisions or inception of research projects so that administrators and research men in the Department may have all available knowledge about the work they are charged with doing.

Progress and Current Activities: The following examples of recent accomplishments under this appropriation are cited by projects.

General administration: Under this project there is the planning and over-all administrative work of the library and bibliographic work of the whole Department, and the supervision of its component parts from the general administrative, bibliothecal, and Departmental points of view. Over-all examinations and evaluations of the operation of the library service throughout the Department, covering organization, personnel methods collections, and other elements involved in library administration are made frequently to assure effective service. An outstanding contribution to over-all service is the construction of continuous photoprint equipment which reduces the cost of supplying photoprints to less than one-third the former cost, thus making it possible for the Library to provide much more service to the Department at lower cost. A total of 53,748 reproductions were supplied during the last fiscal year. Streamlining of technical routines in order to free the greatest possible amount of time for the more important problems is receiving sustained attention. Although the number of staff has remained the same as last year, the amount of service rendered has increased greatly. During the year, book and periodical circulation surpassed the million mark; reference work increased by approximately 50 percent, bringing the total increase to 150 percent beyond the record of two years ago; and, as was pointed out last year, services were again extended to thousands of Department staff members who never before had received service of any sort from the Library.

Acquisition of publications and preparation for use: The Library selects and orders books and other printed material, obtaining publications by gift and exchange for the Library proper and for Department staff members in Washington and the field; records receipt of periodicals, serials, and other publications issued in parts at varying intervals; catalogs, classifies, and shelflists for the Main Library and 23 field branches; disposes of duplicates; and prepares books for use.

This project is continuing the process of inventorying the published materials belonging to the Department, whether they are in Washington or in the field, which when completed will add to the list of publications available to all the staff of the Department as well as to the staff of cooperative agencies, several thousand books not formerly available generally. A reorganization along functional lines of the units engaged in these tasks, establishment of objective standards of work, and training of staff members to meet these requirements fully have insured a flow of work as if on a factory belt line, and positive results have accrued. Further improvements to eliminate all duplication of effort and nonessential records and procedures will continue to be stressed.

Bibliographic services: The responsibility for all bibliographic work of the Department is centralized under this project. The major undertaking is the compilation of the Bibliography of Agriculture; which, in its new form, introduced in June 1943, for the first time, indexes, for the benefit of workers in the field of agriculture, all the literature received in the Library each month, regardless of the form of the publication or the language in which it may be written. Each monthly issue contains a detailed table of contents and full author and subject indexes. The size of the undertaking is indicated by the fact that 50,530 items were recorded last year. In the past, all the abstracting and indexing journals together covered only a small fraction of the 13,000 periodical publications received currently in the Library, and they frequently lagged from six months to several years behind the date of publication of the articles indexed. There have been four additional contributions to the printed Bibliographical Bulletin series of the Department, namely, "A Summary of the Literature on Milkweed (*Asclepias* spp.)"; "Bibliography on the Japanese in American Agriculture"; "List of Bulletins of the Agricultural Experiment Stations for the Calendar Years 1941 and 1942"; and "Bibliography on Butter Oil". In the processed series, which now totals nine numbers, the following have been issued: "Preliminary List of Latin American Periodicals and Serials"; "Rehabilitation of Low-Income Farmers"; "Agricultural Credit"; "Selected References on Thomas Jefferson and His Contributions to Agriculture"; and "Land Settlement". No bibliographies are undertaken unless their value to the war related programs of the Department can be justified. In addition to those mentioned, typewritten lists were compiled on more than 150 subjects.

Reading and reference services: Under this project there is performed all the work connected with the direct use of the Library by readers, including reference work, circulation, shelving of books and obtaining them from the shelves, verifying references, aiding people to use catalog and reference tools, and related services.

The 100,291 questions answered in the Main Library during 1944 represent an increase of 47 percent over the 68,454 questions reported in 1943. Of these, 59,473 were handled at the telephone reference desk, a service innovation which has not only speeded up the replies to "quick reference" inquiries but has freed the time of the reference assistants for questions requiring more extended search.

In addition to requests from within the Department, 279 were answered for 22 different federal agencies, four agencies of allied nations, and four international organizations. 46,349 individuals used 77,163 publications in the Reading Room during the past fiscal year, and total loans were 329,261. As a corollary to continued efforts to eliminate duplication of effort, the Bindery Subsection was transferred to this project during the year, and by further streamlining procedures one assistant is now accomplishing what in the past required the time of two and one-half. Further improvement in speed and quality of circulation and reference service is anticipated as a result of a liaison relationship with the Library of Congress, established late in the fiscal year, and the installation of a book lift in the bookstacks, which it is estimated will eliminate 125 trips per day for stack boys, or two man hours per day.

Field library services: Increased library service to the three-fourths of the Department staff located in the field has been the dominant note since the establishment of the Division of Field Library Services. That results have been fruitful is indicated by the fact that in the third year of activity a circulation of 976,069 books and periodicals was recorded for some 25,000 individuals. Thousands of reference questions were answered, many of which related to some phase of war activity. Further consolidation and integration of activities within the network of nine branches, fourteen sub-branches, and eleven stations has been achieved during the past year. All collections have been strengthened, and little used material weeded out to avoid unnecessary expansion of collections. Pooling of existent resources, that is, making use of Department and local library and bibliographic resources to the greatest possible extent rather than duplicating them, is the chief aim. During the coming year, it is planned to perfect routines and procedures so as to make sure that the knowledge contained in the Department Library system or wherever it is available, may be decentralized out onto the desk of every man who needs it.

The following tabulation shows comparative work-load data for some of the major phases of Library activity:

Number of Items Cataloged and Cards Added to the Catalogs

	<u>1941</u>	<u>1942</u>	<u>1943</u>	<u>1944</u>
Items cataloged and classified	20,294	21,647	22,868	26,048
New cards added to the library catalogs	29,838	a/61,315	b/115,000	b/63,117

Books and Periodicals Loaned or Reproduced by Photophint or Microfilm

Loans made or reproductions supplied	473,229	b/801,192	1,038,352b/	1,304,799b/
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Periodicals and Serials

Number of different periodicals				
currently received	5,275	5,416	6,338)	
Number of serials currently entered	6,011	6,138	6,534)	c/12,062
Number of volumes bound	4,413	4,211	5,669	5,236

Reference Questions Answered

Number of reference questions answered	(not counted)	53,241	b/129,110	b/190,459
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Amounts obligated in 1943 and 1944 for Purchase of Books, Periodicals and Other Publications

1943	\$46,784	1944	\$43,939
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a/ An unusually large number of cards added to field library catalogs.

b/ Includes field libraries

c/ Represents total of periodicals and serials

(b) Working Funds (Library, Department of Agriculture)

This budget schedule covers obligations in 1944 under an advance, pursuant to Section 601 of the Economy Act of June 30, 1932, from the Public Buildings Administration for rental of space for protective storage of irreplaceable materials.

STATEMENT OF OBLIGATIONS UNDER SUPPLEMENTAL FUNDS

Item	Obligations, 1944	Estimated obligations, 1945	Estimated obligations, 1946
<u>Working Fund, Library (Advance from Public Buildings Administration): Rental of space required for the protective storage of irreplaceable materials, Lincoln, Nebraska</u>	\$933:	- -	- -
Total, Obligations under Supplemental Funds	933:	- -	- -

PENALTY MAIL
Section 2, Public Law 364, 78th Congress
(Allotment to Library)

	<u>Category 1</u>	<u>Category 2</u>	<u>Total</u>
1945	\$278	\$2,247	\$2,525
1946	315	2,520	2,835
Change	+37	+273	+310

Category 1 consists of the Bibliography of Agriculture and various other bibliographical bulletins, library lists, etc. furnished to technicians and research workers of the Department, depository libraries, and others who have specifically requested these publications to enable them to keep abreast of the material which has been written in their respective subject-matter fields.

Category 2 consists of correspondence required in connection with answering requests for information on publications filed in the Library and in connection with the loan and exchange of publications with other libraries. Included also is the administrative correspondence necessary in the acquisition of new publications and for carrying on the business of the twenty-three branch and sub-branch libraries.

The increase of \$310 will be needed to meet an increased demand for mailings of the Bibliography of Agriculture, bibliographical bulletins, library lists, and other publications printed, processed and issued by the Library; and to meet additional mailing costs occasioned by the contemplated increase in reference questions, library circulation, and exchange of publications.

BUREAU OF AGRICULTURAL ECONOMICS

(a) Economic Investigations

Appropriation Act, 1945	\$2,375,236
Transfers, 1945, from other appropriations (as shown in detail below)	+245,377
Total available, 1945	<u>2,620,613</u>
Budget estimate, 1946:	
Direct appropriation	\$2,110,000
Transfers to be available in 1946 from other appropriations (as shown in detail below) ..	+122,933
Total available, Budget estimate, 1946	<u>2,232,933</u>
Change for 1946:	
Overtime decrease ...	-\$334,000
Other decrease	<u>-53,680</u>
	<u>-387,680</u>

PROJECT STATEMENT

Project	1944	1945 (estimated)	1946 (estimated)	Increase or decrease
1. Economics of production:	\$1,008,769	\$1,045,613	\$1,036,933	-\$8,680 (1)
2. Prices, income and marketing	521,200	534,000	534,000	- -
3. Farm population and manpower	343,866	345,000	345,000	- -
4. Program analysis and service	372,400	362,000	317,000	-45,000 (2)
5. Overtime costs	339,284	334,000	- -	-334,000
Unobligated balance	1,694	- -	- -	- -
Total available	<u>2,587,213</u>	<u>2,620,613</u>	<u>2,232,933</u>	<u>-387,680</u>
Transferred to "Salaries and expenses, Office of Information"	+1,400	- -	- -	
Received by transfer from:				
"Salaries and expenses, War Food Administration, Department of Agriculture"	-100,000	-130,000	-60,000	
"Administrative expenses, Commodity Credit Corporation"	-62,933	-62,933	-62,933	
"Salaries and expenses, Federal Farm Mortgage Corporation"	-52,444	-52,444	- -	
Total estimate or appropriation ...	<u>2,373,236</u>	<u>2,375,236</u>	<u>2,110,000</u>	

INCREASES OR DECREASES

The decrease of \$387,680 for 1946 consists of the \$334,000 decrease for overtime and the following:

- (1) A decrease of \$8,680 under the project "Economics of production", constituting a reduction of \$8,000 in funds available for special agricultural program adjustment studies made at the request of the War Food Administration (financed from funds transferred from "Salaries and Expenses, War Food Administration"), and a decrease of \$680 to round-off the appropriation total.
- (2) A decrease of \$45,000 under the project "Program analysis and service" represents a reduction in the amount available for special surveys and program services to be rendered the War Food Administration under funds transferred for the purpose by that agency.

Note.--The 1946 estimates for the item "Economic investigations" propose an increase of \$52,444 (net amount of \$51,764, after considering \$680 rounding off decrease mentioned under (1) above) in the direct appropriation in lieu of continuing the annual transfer of \$52,444 heretofore authorized from the Federal Farm Mortgage Corporation. This proposal does not result in any change in working funds available under "Economic investigations", nor in any change in total availability of funds for the Department, since a corresponding reduction is proposed in the 1946 estimate for administrative expenses of the Federal Farm Mortgage Corporation.

WORK UNDER THIS APPROPRIATION

Economics of Production:

Objective: To analyze and interpret basic data bearing upon the economics of agricultural production. The Bureau serves the whole Department as its economic fact-finding agency, and cooperates with all branches of the government working on related problems.

The Problem and its Significance: War-time production has increased nearly one-third above the immediate pre-war period, when there were unlimited supplies of labor, machinery and fertilizer. This has been in response to heavy war-time demands, and favorable growing conditions. In general a high rate of production is expected to continue through the coming year. Many adjustments have been necessary in achieving this production and an unprecedented demand has been made upon the resources of the Bureau for information and guidance. While stimulating the production of strategic materials, the effort has been made to guide agriculture along sound lines.

Analyses are needed of the economic effects of important improved practices that are likely to have accelerated adoption in the period of transition from war to peace. These include data necessary to determine how far it will pay farmers to go in adopting mechanical power and

associated equipment and in increasing the use of fertilizer and lime. These problems need to be analyzed both by products, and by areas in order to furnish guidance that will be locally applicable. Such guidance is needed especially by operators of smaller farms. For example, plans are being made to manufacture a mechanical cotton picker on a commercial scale. The adaptability of this machine for different cotton areas and its potential effects on farming in the South and on the entire national economy need to be studied. Wide-spread adoption will have repercussions on the whole national economy. Analysis of the probable effect of new practices as they relate to crop acreage, number of farms, number of farm workers, and the extent of their adoption that would be most profitable under different economic conditions will be important as a service to farmers, to representatives of educational and action agencies, and as an aid in the formulation of public policies affecting agriculture.

Plan of Work: The Bureau will continue to analyze all available data and assist in the formulation of agricultural programs. A reservoir of statistical and economic data relating to agriculture is maintained. Factual information and analyses are furnished to agencies of the Department and others as to the effects of various proposals on the agricultural industry and the national economy.

Research on production adjustments in agriculture is carried out as a continuous program, in cooperation with other federal agencies and with State Experiment Stations. During the war period this work has been focused on studies of production capacity with special attention to the products most needed in the war effort. Advance estimates for the year ahead have been made each year by production areas for each of the 48 States. The State estimates have then been summarized into national totals; and the area, statewide, and national figures used as background for the building of production goals and for other phases of the wartime program. Special emphasis has been placed upon problems confronting farmers in the production of such vital war crops as soybeans, peanuts, flax, hemp, and dried beans.

Work is now under way to analyze desirable changes in farming by production areas in the post-war period. As the country goes into the transition period, it is of utmost importance that forward estimates of desirable changes in farming be carried out year by year as a guide to farmers in their production problems.

Examples of Progress and Current Programs:

Impact of the war upon the financial structure of agriculture: Intensive study has been given throughout the year to the effect of the war upon agriculture as reflected by various financial measurements. Additional data have been gathered, detailed tabulations prepared, and exhaustive analyses made for the purpose of arriving at a true understanding of the farmers' financial situation. Corresponding data for the period covered by World War I have also been prepared and analyzed and comparisons made between the two periods. The effect of various factors upon the prosperity of the farmers has been pointed out.

At present, when important adjustments in agriculture are taking place, it is important that all who are concerned with the well-being of farmers, and with an adequate supply of farm products, know to what extent farmers are in a financial position to make the needed adjustments in their operations, and to what extent the necessary changes will be made only as they are facilitated by outside assistance. Those who are interested in maintaining a prosperous agriculture need carefully to follow current trends in the principal assets and debts of farmers, and they need to identify and understand the forces which may work sharp changes in the farmers' financial condition now and in the post-war period.

The findings of this study have been extensively used by the Treasury in planning war bond sales campaigns in rural areas; they have been given wide and favorable publicity in the press as material of interest to bankers and businessmen; and other Government agencies are making extensive use of them.

The Bureau will continue to study the financial condition of farmers in greater detail with respect to geographic areas, types of farms, and types of farmers. The impact of outside forces, such as are generated by war on the return to peace, may be very different on various types of farms and farmers, and on the same types in different regions. We need to know what the impact of changing conditions, and of governmental policies, is on particular groups of farmers.

Economic forces - World War II and World War I compared: In many respects the economic forces of this war have been the same and have resulted in trends similar to those in World War I. In some instances, however, there have been substantial differences. Farm real estate values in this war have not yet reached the high levels of the corresponding periods of the other war, notwithstanding the same rate of increase. Debts of agriculture as a whole are declining this time whereas in the first war they rose sharply. In the last 4 years farmers' reserves of cash, or its equivalent, have increased to the largest figure in our history. Likewise, inventory values of crops and livestock expanded rapidly and are now generally larger than those on hand 25 years ago.

Along with record incomes during this war farmers have been restricted in their expenditures by a national economic policy which has imposed more definite curbs than was the case in the First World War. These circumstances have resulted in the accumulation of cash which has been retained as reserves in the form of currency, bank deposits, and Government bonds, and has made possible the reduction in debts.

A changed attitude on the part of farmers, creditors, and Government has also played its part in shaping things differently in this war. Prior to World War I agriculture had enjoyed about two decades of slowly rising prices and moderate prosperity. Many thought that the high prices of both land and farm products which developed during the

war would continue. That optimism stimulated overexpansion and considerable speculation, resulting in heavy debt. But what happened after the collapse of prices in 1921 brought about a great change in the attitude of most prospective buyers toward the future of land and commodity prices. The whole experience had a sobering effect and has proved a real restraint on overexpansion in this recent period.

In general, the farm business at present, despite its wartime stimulation, appears to reflect reasonably conservative management so far in this war period. It must be noted that the impact of modern war upon all basic industries is very far-reaching; that the forces of financial inflation have by no means yet run their course; that post-war readjustments historically are on the down side; and that the great disaster which overtook many farmers as well as other businessmen after the last war was their overextended debt situation, when prices and incomes fell.

Owners' equity increased 30 billion in four years: It has been shown that American agriculture, as measured by value of physical goods used in production, changed from a 49 to a 70-billion-dollar industry during the 4-year period ended January 1, 1944. When selected intangibles owned by farmers, such as cash, deposits, war bonds, etc. are included, agriculture could be rated as a 54-billion-dollar industry in 1940 and as an 83-billion industry in 1944. During this period the equities of all farm landowners and tenant farmers appear to have increased nearly 30 billion dollars, while the equities of lenders were reduced 500 or more million dollars. These figures indicate that on the whole agriculture is now in a strong financial situation, but it must be noted that many individual farmers have not fared as well as the group and also that most of the increase in dollar figures is merely the reflection of price advances and the resulting higher valuations placed on inventories. The physical plant employed in agriculture has increased only to a limited extent during the four years. There has been a significant increase in the livestock inventory and some increase in the amount of harvested crops on hand, but land, buildings, home equipment, and machinery have remained practically unchanged.

More than 7 billion dollars increased income: The income statement for agriculture prepared by the Bureau reflects directly the stimulation of war on the flow of funds into and out of agriculture. From 1940 to 1943 gross farm income, not including Government payments, rose from 10.2 billion dollars to nearly 22.1 billions, an increase of 116 percent. During those years, moreover, gross farm income increased faster than nonlabor production costs, with the result that returns to labor and investment, not including Government payments, increased from about 5.7 billion dollars in 1940 to 15.1 billions in 1943. Government payments decreased 12 percent. The final net return to farm operators and their families, from farm operations plus Government payments, increased from about 4.8 billion dollars in 1940 to 12.4 billions in 1943.

The increase in income was due partly to greater output but in large measure to higher prices. Production, as measured by volume of farm marketings and home consumption, increased 17 percent during the period, while prices rose 92 percent.

The economic consequences of a radically altered price level are probably more far reaching in agriculture than in any other industry.

Non-real-estate debt of farmers: Data accumulated by the Bureau shows that from July 1, 1939 to July 1, 1942, non-real-estate debt outstanding to commercial banks and Federal agencies (excluding nonrecourse CCC loans) increased from 1.5 billion dollars to over 1.9 billion dollars. By July 1, 1944 it had declined to about 1.8 billion dollars. Federal agency loan data indicate that fewer farmers are borrowing but that the average size of non-real-estate loans has been increasing steadily during the war. There is an element of danger for farmers with increased debt if prices should decline. It is important to keep in touch with debt trends, particularly during the immediate post-war period when curbs on spending may be relaxed. At that time, increased expenditures for expanding production, and making postponed improvements and purchases may involve large amounts of non-real-estate credit.

Farm-mortgage debt reduced: A comprehensive study has been completed in cooperation with the Bureau of the Census which shows a decrease in farm-mortgage indebtedness from \$9,630,768,000 to \$6,586,399,000 or 31.6 percent for the decade from 1930 to 1940. This decline has continued and on January 1, 1944 the total farm-mortgage debt outstanding was estimated at \$5,634,772,000. During 1944 the downward trend has continued. Changes in farm-mortgage debt during the last 4 years have varied widely by regions, and declines have occurred in all but five States.

The trend of mortgage debt so far during World War II has been in sharp contrast to that of World War I. During the 4 years ended January 1, 1918 mortgage debt rose from \$4,707,000,000 to \$6,537,000,000, an increase of almost 39 percent. This compares with a reduction of 14.4 percent in the 4 years ended January 1, 1944. The increase during the period 1918-23, however, was much greater than that for the period 1914-17. The average annual increase for the period 1914-17 was \$457,376,000 as compared with \$688,010,000 for the period 1918-23.

A study completed during the year indicates that the average rate of interest payable on outstanding farm mortgages declined from 6.0 percent in 1930 to 4.5 percent in 1944. This means that the average interest charge per \$1,000 of mortgage debt was 25 percent less in 1944 than in 1930 and almost 30 percent below that for 1923. The downward trend of mortgage interest rates in recent years has varied by areas; also, the relatively low average rates for some areas include a substantial volume of high-interest-rate mortgages held by private lenders which are balanced in the averages by low-interest-rate mortgages held by federally sponsored credit agencies and life insurance companies. Improvements have been made in the data relating to mortgage and real estate holdings of leading lending institutions and the series have been carried forward.

Since mortgage credit is so closely connected with other economic aspects of the war economy, analyses are made of the data by geographic location and type of tenure, and these data are used in connection with all studies of the agricultural situation. Special analyses

have been made of mortgage-credit developments to assist other Federal agencies in appraising the uses made of wartime income and the effectiveness of wartime programs designed to control inflation.

In addition to statistical studies listed above, analyses have been made of longer run mortgage-credit problems of federally sponsored agencies, and the results have been made available to the agricultural credit agencies of the Department of Agriculture. These studies include: (1) formulation of principles of wise use of mortgage credit by farmers, (2) a special analysis of the requirements for an extra-risk mortgage-loan program operating on a self-supporting basis, and (3) an analysis of the advantages and limitations of mortgage loans as a basis for public assistance of farmers and rural people.

Agricultural insurance: Insurance for farmers and the farm mutuals engaged in such insurance are given continued study. Improved methods of operation based on Bureau of Agricultural Economics studies have been outlined in published bulletins, in correspondence, in personal conferences, and in addresses at State and national gatherings of farm insurance leaders. Recommended improvements which have been widely adopted include: Advance assessments in lieu of post-loss assessments, maintenance of moderate cash reserves, periodic special inspection of risks by trained inspectors, education of the membership in loss prevention, classification and rating of insured property to encourage the removal of needless hazards, standardization of insurance forms and practices.

Mutual fire insurance companies owned and controlled by farmers number nearly 1,900 and their aggregate insurance in force exceeds 13 billion dollars. About 300 of the larger farm fire mutuals also provide insurance against windstorm; and 65 mutuals, most of them State-wide, specialize in providing farmers with windstorm protection. The total windstorm insurance provided by farmers' companies is about 7 billion dollars. Fully half of all farmers in the United States have their property insured against one or more leading hazards in farm mutuals. Other types of farm mutuals which provide automobile insurance and other forms of liability protection are steadily increasing in number and importance. Farm mutuals writing hail insurance or livestock insurance remain less important in membership or volume of business.

Farmers' interest in life insurance and other forms of personal insurance has been active in recent years. A study is in progress of life insurance among farmers, with special attention to small policy organizations, many of which limit themselves to burial insurance. Mutual or assessment burial associations have recently shown a very striking growth in rural areas, particularly in the Southern States.

Sample surveys have been made annually in connection with the Farm Fire Protection Committee of the National Fire Protection Association covering the current trend in farm fire loss experience in mutual and stock companies. On the basis of the data obtained, the committee

estimated that the farm fire losses of 1943 were about 90 million dollars, an increase of 10 million dollars over the figure for 1942 when farm fire losses were exceptionally low. The 1944 farm fire loss is again estimated at 90 million dollars. This recent increase in the dollar volume of loss over that of 1942 may be charged to price advances rather than to a larger volume of property lost. Information and advice is furnished on fire prevention programs as well as on problems of insurance.

Wartime conditions have tended to increase farm accidents and have raised numerous problems of insurance protection. The Bureau has assisted the Extension Service, the Commodity Credit Corporation, and other units of the Department in arranging with existing insurance companies for insurance coverages to meet special situations, and also in supplying information to State and other agencies confronted with wartime insurance problems. Among specific coverages involved may be mentioned personal accident insurance for Victory Farm Volunteers and Women's Land Army as well as workmen's compensation insurance for farmer employers and public liability insurance for operators of camps for volunteer farm workers.

Farm taxation: Continued study has been given to farm taxation problems. Farmers, like others, have been paying greatly increased sums in taxes, due primarily to the Federal wartime taxes. The Federal income tax has taken first place among the taxes paid by farmers. According to tentative estimates, it appears that farmers will pay in excess of \$500,000,000 in Federal income taxes on 1944 income. Future payments, of course, will depend upon the level of farm income and the rate and exemption structure provided by law. To help farmers meet their obligations under the income tax laws a pamphlet "Farm Bookkeeping and the Federal Income Tax" was prepared. In its four editions a total of more than one million copies has been distributed.

During the post-war years, agriculture, like other segments of the economy, will be profoundly affected by the fiscal and tax policies of the Federal Government. Farmers may be directly affected by the types of taxes used. Markets for farm products may be affected by the policies adopted in connection with taxes generally, the management of the public debt, or other fiscal activities. The various aspects of these questions continue under study because of their importance to a future healthy agricultural economy.

Production adjustments in agriculture: Production adjustments to meet changing conditions of world supply and demand have been a subject of major interest to this Bureau for many years, but with the war emergency it has become of such vital importance that it has been given first attention in the Bureau's program. The work has been conducted in cooperation with other branches of the Department and various Federal and State agencies.

During the war period this work has been focused on determining agricultural capacity to produce foods and other farm products of the right types and in sufficient quantities to meet war needs. The early studies

established a production basis for national goals for all of the principal products and developed suggested distribution of these goals by States. Continuous work has been done in assisting State workers to stimulate the production of scarce commodities and to help farmers in making their conversions to new crop programs. This work has been carried out in terms of a balanced production program; i. e., acreages of feed crops and numbers of livestock have been related, and cash crops together with the feed crops add up to the acreage of land available for cropping.

The results of this work have been published in Bureau releases, Department reports, and regional committee reports for the guidance of farmers and all agricultural workers. A large number of special reports have been prepared in cooperation with States on studies in sample areas of special situations. For example, reports were published on soybeans in the Mississippi Delta, on peanut production in the principal producing areas, on dry beans in the Great Plains Region, on sweet potatoes in the Tennessee Area, and on hemp in the Corn Belt. In expanding the acreage of these crops many farmers have been faced with unfamiliar production problems. Economic analyses of these problems have been made by the Bureau to form a basis for educational work carried on by Federal and State agencies to assist farmers in successfully carrying out a wartime production program.

Estimates for 1945 have been prepared on the basis of the best possible forecast of food requirements for military, lend lease, and civilian needs. These studies indicate that we can produce food enough to meet nutritional needs of our own civilians and in addition the military and foreign requirements, especially if we are willing to make moderate adjustments in our pattern of production and consumption.

Studies are under way to analyze the forces responsible for the tremendous wartime increases in farm production as a basis for determining their relative permanence. Preliminary results indicate that the important factors are: mechanization, increased use of lime, fertilizer, cover crops, and other conservation practices; also feeding of better balanced rations, use of improved varieties, and increased acreage of intertilled crops, as well as a small increase in land used for crops. Most of these forces are likely to remain in effect after the war. For example, farmers will increase their purchases of tractors and other farm machines after the war and this means that land which formerly produced horse and mule feed will be available to produce products for the market. Agriculture, therefore, will have a permanently larger plant for producing marketable products. Furthermore, a larger proportion of the costs of production will be out of pocket costs and this leaves farmers more vulnerable to losses in years of crop failure and low incomes.

Work on machinery and materials programs: The Bureau made the first analysis of wartime machinery needs and has participated in subsequent analyses of this problem as well as in the development of rationing and allocation plans. Data which served as the basis for developing

the rationing program were gathered by the Bureau on machinery on farms by type, size and age for each State. This information has been kept up to date and a report, "Number and Duty of Principal Farm Machines", has been published. Further intensive work has been done to analyze the needs in the light of changing programs. This type of background information has enabled WFA to concentrate the limited manufacturing programs on the machines most needed. Similar but less intensive analyses have been made for lime, fertilizer, rubber and fencing material. Use of commercial fertilizer increased 85 percent from the year 1935-39 to 1944.

Feed-livestock balance: Periodic analyses have been made of the feed-livestock balance as the basis for evaluating the prospective supply of feed in relation to livestock numbers. This has been of unusual interest during the past year because of anticipated feed shortages. Many requests for this information were received. Recent analyses indicate more ample supplies of feed for the livestock on hand. Reports have been made on feed consumption by livestock over a period of years. An investigation was made and a report prepared on production of wheat for feed in the Western States.

Feed requirements have also been analyzed by States and data on production and distribution of specified feed ingredients and commercially mixed feed have been analyzed to provide a better basis for a feed management program. Since livestock feed has been one of the most critical items in the production program, a current balancing of feed supplies in relation to livestock and a periodic projection for the year ahead have constituted an extremely important contribution to food production. This work was made possible by previous research on feeding rates in different parts of the country, and because of the availability in the Bureau of Agricultural Economics of current materials on feed and livestock numbers.

Postwar adjustments: To meet the demand which has already started, and in anticipation of postwar demands for land by veterans, war workers and others, the Bureau has conducted preliminary surveys into the possibilities of land settlement and the tenure arrangements under which settlement can best take place. This work has been carried out as part of the Department's postwar program under the Interbureau Coordinating Committee. The Bureau is taking the initiative in preparing reports on land settlement and land tenure that will be helpful to veterans and others who wish to settle on the land.

In recognition of the tremendous need for rural improvements and facilities which has accumulated during the war, a study is being made to determine the kind and amount of rural improvements which will be needed after the war in order to (1) conserve and improve our natural resources, (2) improve rural living facilities, and (3) provide worthwhile jobs if needed. Estimates of these needs are being worked out in cooperation with the several Federal and State agencies, whose programs relate to rural areas in such fields as health and sanitation, roads, land conservation, housing, education, electrification, forestry and reclamation.

An analysis has been made of population in relation to job opportunities in the Lake States cut-over areas. In each of the areas studies, 1940 production was converted into terms of fulltime jobs required for that production and related to the 1940 population accumulation. The study also indicates the number of fulltime agricultural jobs which the surveyed areas may be expected to afford. Preliminary information on this study has been summarized in a report "The Cut-Over Areas of the Lake States."

In cooperation with the War and Navy Departments, rural military lands were classified as to use prior to the war and best present use. On the basis of this classification a determination was made as to the amount of such lands that will be suitable for agricultural use when released from war purposes.

Land utilization research and service: Major emphasis has been on work necessitated by the war, although the land use problems of the post-war period are receiving an increasing amount of attention. Current and future requirements for basic facts and analysis are also being met through maintenance of long-time research and service functions. While detailed field investigations were suspended for the duration of the war, work is being carried forward on a land resource inventory, on trends in land utilization, on desirable shifts in land use, and on changes brought about by comparative farming advantage.

Work is being done on land development, improvement, and settlement possibilities for veterans and others in the Nation as a whole and in the various regions. Judging from the large number of inquiries being received from war veterans, servicemen, and war workers, who are looking for farms, the problem of land settlement immediately after the war, as after all wars, will be an urgent one. Data on land available and suitable for settlement and the measures to use in getting prospective farmers successfully reestablished must be reviewed and brought up to date.

Current land use studies include several sample studies of specific counties as well as studies of larger areas such as the Mississippi Delta, Lake States Cut-over, Pacific Northwest, Southeast Coastal Plain, Northeast, Great Plains and other major regions. The results of work in progress is being, and will be, released as they become available for use in guiding of further land improvement, development and settlement. Among the reports to be prepared this year is a section for a monograph on agriculture in the United States prepared by request to the Department from the Pan American Union, for use in conferences of the Union representatives in 1945 and 1946.

The investigation of drainage possibilities in the United States is being carried out in cooperation with the Soil Conservation Service. Wet lands in the United States comprise millions of acres, but not all are economically adapted to development and improvement through drainage. Estimates of the quantity and location of these lands are being obtained under three main categories: (1) areas susceptible to community drainage,

(2) land in need of farm drainage, and (3) land for which drainage is not economically feasible.

Land value problems and programs: Although starting from a lower level, farm real estate values during this war have been rising about as rapidly as during World War I. For the country as a whole, land values rose 14 percent during the year ended November 1, 1944, bringing values to a level 44 percent above the 1935-39 average and 20 percent above 1912-14. A high volume of sales has accompanied these sharp value advances and there has been a steady increase in the number of resales after a short period of ownership. Substantial cash down-payments are being made and a majority of the farm land sales are entirely for cash. Despite this, heavy debts are being built up upon a significant number of farms as the result of sale.

Powerful influences are operating to push values beyond warranted levels, with the principal curbing forces stemming from cautious attitudes based on recollections of the last land boom and a generally guarded land-value outlook. Possibility of the recurrence of the general upsurge in farm real estate values that accompanied the last was has increased the need for information on current land-market activity in order to evaluate the extent to which rapidly changing economic conditions associated with the war are influencing the current land market. Such information and accompanying analyses are published periodically for use by individuals and financial and business organizations. In addition, such materials are essential to informed discussion and formulation of public policy with respect to emergency control in the farm land market.

Educational activities in curbing a farm land boom have involved the preparation of a widely distributed leaflet entitled "Land Values and the War", numerous articles for publication and basic data used in department-wide educational activities.

Water utilization studies: The water development program is receiving fresh impetus, and it is essential that special investigations be undertaken of problems connected with irrigated areas in order to influence development toward projects that will achieve the greatest benefits both for agriculture and the general welfare.

A study is being made of the potentially irrigable lands and the settlement opportunities they could be made to furnish in the Plains and Intermountain States. Studies under way will give an indication of the areas of land that will be brought under irrigation during the war period, areas that could be irrigated during the immediate post war period, and those which may be irrigated at some later time. Projects which have been proposed for irrigation in these States are classified into those that appear to be entirely feasible, those which have minor limitations, and those which have major limitations.

Other studies are being conducted to determine the amount farmers can pay for irrigation water under various conditions to assist in orderly settlement and bring about healthy agricultural conditions rather than problem areas. Basic data on various phases of irrigation are being assembled to be used as background material for expediting necessary investigations of new water developments and for use as a basis for necessary administrative decisions.

Land tenure problems and programs: The relation of land tenure to the greatly enlarged food production program has received attention during the past year, and will continue to be of importance until the war ends. Procedures for removing the retarding influence of tenancy on agricultural production have been prepared for areas where adjustments are needed. Future requirements for data on tenure trends and conditions in order to deal with basic tenure problems are being anticipated. Analyses of the interrelation of tenure conditions and agricultural programs will be supplied through longtime research and technical services.

A national report of land tenure is being prepared in cooperation with the Interbureau Committee on Post-War Programs. This report will be concerned with the present situation of the family farm and with ways and means of maintaining the family-sized unit as a bulwark of American democracy. Close cooperation has been extended several national and regional committees dealing with land tenure problems. A report presenting problems and recommendations for improving farm land tenure in the Midwest has been published recently; other reports are in preparation.

The lease forms prepared by the Department and bulletins and leaflets relating to farm lease contracts are being revised and improved to meet the crucial rental situation likely to exist during the conversion period. This material will be used in helping those veterans who prefer to rent for awhile before buying a farm, to get located on good land under the best types of farm leases.

Prices, Income, and Marketing:

Objective: To conduct research and furnish basic data, economic analyses, and related services covering the supply of and demand for farm products, consumption requirements, prices, parity and comparable prices, income, parity income, purchasing power, marketing costs and margins, price differentials among areas and markets, post-war disposition of surpluses of agricultural products and of war food processing facilities, the use of air transport, the development of technological improvements in marketing, and other phases of economic research concerned with production and distribution of farm products.

The Problem and its Significance: Following the previous World War net farm income fell far below parity within a period of three years and in 1921 was only about one-third of what it was in 1919. This decline was due to the fact that the prices of farm products had dropped (base 1910-14) from 213 to 125, while the expenses of farm production did not

decrease so rapidly. While it is to be hoped that the readjustments following the present way will not be so drastic, we must anticipate the problems that will arise in the period of readjustment and be prepared to deal with them.

The Federal Government has undertaken responsibility for continuing to support the prices of many farm products for two years after the war. The Department should be continually on the alert as to the development of conditions that may depress prices and be prepared to take adequate measures for preventing the depression, or for making up the deficits in farm income that may arise from the weakening of markets in these two years.

The war has brought with it many new problems in marketing and transportation. Reconversion is likely to raise as many questions as conversion to war, because of the great increase in food production during the last few years. Food production cannot be shut off suddenly in the same way that the output of munitions is curtailed, and hence it will be necessary to find civilian markets for the products which have been going to our armed forces and lend-lease.

Many costly mistakes will be made unless the necessary facts and information are available for the use of both private and Government marketing agencies. Unlike industrial concerns, most private agricultural marketing agencies do not have large research staffs ready to develop the necessary information. This need must be met by public agencies.

Data are urgently needed to correct the inadequacies in marketing statistics. These have been evident in connection with war programs and will constitute even more of a handicap in dealing with many post-war marketing problems. A new current series of price spreads at different levels of marketing should be developed for use in connection with such programs as Government price supports. Additional series are needed representing the volume of products flowing through the different channels of trade, margin statistics on cotton and wool, statistics on regional aspects of marketing, current measures of marketing cost factors, and processing of products.

Other marketing problems which will become more urgent in the near future are the following: (1) conversion of food dehydration facilities to peacetime uses; (2) the use of air transport facilities in transporting farm products; (3) the marketing of dried milk in relation to the established fluid milk markets and impacts on specialized dairy production areas; (4) post-war needs in retail food distribution facilities, with special reference to the development of frozen foods; (5) the orderly development of the frozen food industry; (6) the development of precooked frozen foods, with special reference to institutional uses; (7) post-war needs for assembly and processing facilities to meet new technological developments; (8) readjustments in oil processing facilities to care for post-war changes in the composition of the fats and oils supply; (9) the determination of the possibilities for broadening markets and reducing costs of marketing.

perishables with portable refrigerated shipping containers; (10) the determination of consumer preferences in relation to a wide variety of new products and other questions; (11) determination of manpower requirements in marketing in relation to the problem of unemployment; and (12) the determination of suitable arrangements for marketing agricultural surpluses internationally.

Plan of Work: The Bureau will continue to gather and analyze statistics of all important agricultural products in relation to prices and to the purchasing power of consumers, which will make possible the development of production and distribution programs designed to meet war and post-war needs.

Examples of Progress and Current Program: The Bureau's regular economic and statistical releases such as The Agricultural Situation, the situation reports on various commodities, on demand and prices, farm income, marketing, transportation and other subjects have been continued and improved. These reports carry the current basic data in each field and summarize the impending developments. The reports have sought to include objective information, demand, supply and price relationships, and analyses and interpretations needed by administrators of agricultural programs, purchasing agencies, and by producers and handlers of farm products. Many special studies have been made, and analyses and refinement of data prepared to meet specific requests of the war agencies.

The national food situation: Last year a monthly report was inaugurated on the national food situation which has become the authoritative statement for the War Food Administration and the Department as a whole. It contains current estimates of the United States food supply, the per capita consumption and a nutritional analysis of that consumption, and summaries of important actions by Government agencies dealing with food. Each issue brings together from every available source the current data and forecasts the future situation of supply and demand. For example, the December 1944 report points out that when prospective supplies of various foods for the first quarter of 1945 are compared with those available to civilians in the same period of 1944, reductions in the supplies of meat, poultry, butter, evaporated milk, potatoes, fresh vegetables, and perhaps lard will not be entirely compensated for by the expected increases in fluid milk, American cheese, and fruits other than citrus. Citrus supplies will be about the same as last year. In comparison with the pre-war period, it appears that as much meat, lard, and fresh vegetables will be available, but potato and butter supplies, particularly butter, will be below average. Despite these reductions, civilians will not be faced with any over-all food shortage. Supplies of fluid whole milk, non-fat dairy products including cottage cheese, buttermilk, chocolate milk and dry solids, eggs, fish, margarine, cereal products, dry peas, and citrus fruits will make possible a level of food consumption at least as high as the pre-war level, although different in composition.

New index of consumption: A new index of per capita consumption of foods, by major food groups, has been prepared covering the years 1909 to 1944. In this index, quantities of food consumed per capita each

year, measured at the retail level, are weighted by average retail prices for the base period, 1935-39. This supersedes an earlier index which measured the average consumption of foods at the farm or processor level. Foods are grouped, in general, according to the categories used by the Bureau of Human Nutrition and Home Economics in its dietary studies.

Income parity for agriculture: In response to legislation passed in 1936 and redefined in 1938, the Bureau makes annual estimates of the net income of the United States from agriculture. A report was released in July covering net farm income and parity report for 1943 and a summary covering the period 1910 through 1942. This report showed a rise of 22% between 1942 and 1943 in the net income from agriculture of persons living on farms (including Government payments) but this was matched by an increase of 23% in the net income from all sources of persons not living on farms.

Total net income from agriculture (to persons living on and off farms, and including Government payments) was \$15.8 billion in 1943, an increase of 21% over the 1942 figure of \$13.0 billion. At the same time national income increased from \$120.2 billion to \$147.7 billion or almost 23%. Agriculture accounted for 10.7% of the national income in 1943, compared with 10.8 percent in 1942.

Preliminary and exploratory investigations have been made in the field to get comparable data on farm and non-farm income. The State estimates of net income from agriculture are constructed as nearly as possible on a basis comparable with the available data as to income from nonagricultural sources. The object is to compare the income of persons engaged in agriculture with the income of those engaged in other occupations, and to determine what income from agriculture is necessary to provide opportunities for persons living on farms equivalent to those not on farms.

A great many data are presented covering the gross and net income, of farmers, and earnings of farm and industrial workers which are very helpful in the consideration of the agricultural situation. A great deal remains to be accomplished, however, before truly representative data can be prepared on income parity for agriculture.

Research on prices: Because of the Department's responsibility in connection with the price control and price support programs, much attention has been given to price research. A revision was made of the index numbers of prices received by farmers 1910-1943, and the annual series of prices received by farmers for principal farm products was prepared extending back to 1851 and index numbers prepared for this period. Index numbers were constructed also for prices of home-grown foods consumed on the farm. A detailed comparison was made between the Bureau of Agricultural Economics Index of Prices Paid by Farmers for Commodities Used in Living with the Bureau of Labor Statistics Index of Urban Living Costs. Many special requests from other Federal agencies for price data were handled.

Revision of marketing margins for 58 foods: For a number of years the Bureau has been computing and publishing farm-retail price spreads for 58 foods, together with over-all measures based on these 58 commodities, including the retail cost of the "working man's family food basket," the amount received by farmers for the products entering this basket of food, and total charges for marketing these foods from the farmer to the consumer. These statistics have been widely used by Government and private agencies, and during the war have found varied application in the formulation of price policies and programs. During the past two years the basic data used in making these compilations have been completely revised. New average retail prices have been computed taking into account retail prices paid by all non-city as well as strictly urban consumers. Allowances have been made for the value of byproducts, a very important factor not previously taken into account, and for estimated waste in processing and distribution. In addition, the coverage has been expanded from the 58 foods previously included to provide complete representation for all farm-produced foods.

Percentage of consumers' income spent for food: At the request of the office of the Director of Economic Stabilization, a special study was made of the percentage of consumers' income spent for food. These estimates prepared indicated that the percentage of consumers' income spent for food in recent years has been considerably smaller than was commonly believed, and the data received widespread notice and use.

Marketing margins and costs for cotton and cotton textiles: A study now ready for publication shows the spread between the price received by the grower for cotton and the cost to the consumer of 42 cotton textile items, from 1927 to date. This over-all margin or spread for 1939, the last "normal" pre-war year, is broken down to show the amounts going to different marketing agencies, for the various marketing services or functions, and by cost items such as labor and advertising. A flow chart shows the volume of cotton moving through various marketing channels into different ultimate uses. Finally, these data were used to indicate the possibilities of reducing marketing charges. This is believed to be the first such complete analysis of marketing margins and costs for cotton to be made. Similar analyses were made for wool, rayon and silk.

Fruit and vegetable marketing statistics: A number of wartime programs, including canned goods rationing, have required extensive data on fruits and vegetables in relation to marketing. In this project comprehensive data were compiled showing the geographic and seasonal patterns of fruit and production and consumption in fresh and processed form.

Air transportation of agricultural perishables: Several studies were made of the possibilities of air transport of agricultural perishables. As far as is known, these represent the first attempt to get at the practical possibilities of post-war air transport for agricultural

products through the commodity or specific operation approach, all of the other known studies having been on a general survey basis. The first of these studies dealt with strawberries and tomatoes.

This study indicated that Army transport planes of the C-47 type which probably will be made available for such purposes after the war are adaptable to the transport of these commodities. Although transportation costs alone would be high, other costs of marketing would be reduced so that total costs would be approximately the same for tomatoes and only slightly higher for strawberries, as against definite improvement in quality. A second study indicated that lettuce from the Salinas Valley of California could be flown to the Detroit market in the post-war period at a cost approximately 3-3/4 cents per pound above that of the rail-transported product, and that such lettuce can be marketed in quantity in Detroit at a differential of 5 cents per head over surface-transported lettuce. Another study analyzed the use of the airplane as a contract carrier and indicated that air carriers of medium size have unit costs as low as or lower than much larger carriers. All three studies were published in The Marketing and Transportation Situation, and the studies of strawberries, tomatoes and lettuce have appeared in various periodicals.

Marketing livestock: "Marketing Livestock in the Corn Belt Region," was the first report of the Corn Belt Livestock Marketing Research Committee representing 14 state experiment stations and this Bureau. It is an exhaustive analysis of methods of marketing livestock in the Corn Belt, and the results of this study already have been used for a number of different purposes by both national and local way agencies such as the Office of Defense Transportation, the Office of Price Administration, and the War Production Board. A second joint study by this Committee dealt with the transportation of livestock, other farm products, and farm supplies. A third study, now under way, deals with price differentials for livestock, with attention given first to the price of hogs. The purpose is to assemble as reliable information as possible on normal price relationships so that it may be available for use in connection with any future price control or support programs, or for other purposes. It should be noted that these projects represent successful attempts to coordinate the marketing research of State and Federal institutions within a region having many common marketing problems.

Rail rates on livestock and meats: For years there has been much controversy over the relative rates on livestock and meats. These rates have affected the location and use of processing facilities and have been of some importance in connection with questions arising concerning meat price ceilings under the wartime control programs. Upon request of interested groups a study of this subject was made by the Bureau, the results of which have been used as the basis for an important case before the Interstate Commerce Commission involving the west-bound movement of livestock and meats.

Assistance to new industries in rural areas desiring transportation rate adjustments: Several reports were prepared dealing with the general subject of railroad rate adjustments for rural industries. These included information on appeals for freight rate readjustments by small industries or communities located in rural areas, and analysis of inter-territorial freight rate differences with particular reference to the South and Southwest, and the manuscript for a proposed educational pamphlet on how freight rates are determined and the relationships among rate levels, costs and other factors.

Freight rates on grain via barge and rail: Upon request of the War Food Administration an analysis was prepared of ex-barge grain proportionals to official territory, for use in an important rate case before the Interstate Commerce Commission which will affect all other agricultural transportation rate cases involving barge as well as rail transportation.

San Francisco wholesale fruit and vegetable market: A detailed study was made (jointly with the University of California) of the San Francisco wholesale fruit and vegetable market and was published in a report entitled "Improving the San Francisco Wholesale Fruit and Vegetable Market." This is one of a series of research studies dealing with the factors to be considered in reorganization of various terminal produce markets for greater efficiency. The Agricultural Committee of the San Francisco Chamber of Commerce has taken vigorous action designed to put the results of this study into effect as early as possible.

Miscellaneous research and service on current war problems: Members of the Bureau staff are called upon continuously by the War Agencies and others for special compilations of marketing statistics or analyses. Subjects on which reports have been made are the suitability of purchase and sale operations as a substitute for subsidies; factors contributing to maldistribution of meat supplies and growth of the black market in meats; the probable economic effects on agricultural prices of the 3 percent increase in freight rates on farm products; the economic effects of lend-lease operations for pork and some other commodities; a compilation of 1943 unload statistics for fresh fruits and vegetables, dairy, poultry, and livestock products; estimates of institutional use of milk and cream; Government subsidies on food products; of the reasons for the break in egg prices in some regions below support levels in the spring of 1944; alternative methods of determining point values in rationing; and an analysis of marketing facilities available in relation to prospective requirements under the agricultural production goals program.

Representatives of the Bureau met at regular intervals with those of the Office of Defense Transportation Motor Vehicle Division to view and appraise current developments in livestock transportation and with the National Livestock Loss Prevention Board at Chicago for the same purpose.

Costs of marketing: A comprehensive research project on the costs of marketing foods is well under way. This project is designed to assemble all of the available information from any and all sources relating to food marketing margins and costs. A number of studies have been made of specific commodities by agencies such as the Federal Trade Commission and Office of Price Administration, but nowhere have all of these facts been brought together in one place for coordinated analysis and comparison. Such a treatment has been greatly needed in connection with wartime problems in marketing and price control. The information will be equally desirable in connection with post-war programs. In addition to assembling published and unpublished information obtainable from other sources, the Bureau is making detailed tabulations of data which are collected by the OPA and other war agencies for limited purposes but which would have many other uses if properly tabulated and presented. The Bureau of the Census has cooperated in connection with some of the machine tabulations involved, and the OPA and Bureau of Labor Statistics have furnished original data from their files.

When these data are completely assembled and summarized, an analysis will be made of the factors affecting the marketing margins and costs so disclosed. This will include an appraisal of alternative possible methods of reducing costs.

Farm Population and Manpower:

Objective: To aid in developing programs for organizing farm people and rural communities for cooperative effort in solving production and distribution problems and maintaining essential social services.

The Problem and its Significance: The major portion of farm labor required for necessary war production is mobilized in local communities. It is a part of this project to assist in that mobilization by aiding the agricultural extension service to develop neighborhood leaders and organize neighborhoods and communities for manpower mobilization. At the same time, the permanent welfare of the farm industry must be considered, and the maintenance of satisfactory standards of living.

Plan of Work: The work is done almost entirely in close cooperation with other divisions of the Bureau and other branches of the government. Investigations, surveys and compilations of data are made which are used in reports upon the agricultural situation for various parts of the country and for specific types of farming. Continuous work is being done in cooperation with the Bureau of the Budget, the Bureau of the Census, and the Bureau of Labor Statistics on the improvement, reconciliation and standardization of employment, unemployment and wage statistics. Special studies are being made of employment conditions and opportunities in agriculture.

The project is working toward a more accurate diagnosing of the problems of rural welfare in terms of levels and standards of living than is now possible. Data are being secured from a representative sample of rural families throughout the country. These data will then be analyzed to show the nature of the needs and their incidence in terms of significant categories of the rural population. It is expected these measurements will be repeated periodically, and will thus constitute a time series which will be continued at regular intervals.

Examples of Progress and Current Program:

Farm population estimates: Estimates have been compiled relating to the farm population since 1910. This year the annual farm population estimates are being expanded in cooperation with the Bureau of the Census to cover age and sex composition of the farm population and changes in the number of farm families, as well as migration to and from farms. These estimates supply the basis for appraising the effects of the war on the farm population and for projection into the post-war period of the level of farm population and migration to and from farms. Such projections are useful to the various agencies concerned with post-war problems during the reconversion and post-war period. The cooperative estimates on farm population and farm households will be made for quarterly dates, providing the basis for a current check at the national level on the return of veterans and war workers to farms.

Current and anticipated migration problems: In a national sample of 70 counties a reconnaissance survey is being carried on to ascertain the outlook for post-war migration and reemployment opportunities during the next two years. The survey also involves reconnaissance of sources within each county which may be utilized to report on the migration and reemployment situation during the demobilization period. As demobilization begins and proceeds information on returning migrants to farms and their occupational adjustments in these counties will be obtained periodically.

Farm labor force studies: The Bureau has taken part on the inter-agency technical committee which has assisted the Bureau of the Census on the development of revised labor force series which were released in April. A statement has been prepared on Agricultural Employment Trends, 1940-44 which presents an analysis and interpretation of recent trends in agricultural employment as shown by the two official series, that of the Census and of the Bureau of Agricultural Economics.

A cooperative study is in progress by the Bureau of Agricultural Economics and the Bureau of the Census, involving a Nation-wide survey of farm population and farm workers made in April 1944. The study has as a major aim clarifying the relationship between the two official series on agricultural employment and clarifying the effect of definition of farm residence on the size of the farm population. A similar survey in this study was made in July, and another will be made in October to tackle problems of measurement of agricultural employment at different seasons of the year.

A related cooperative study is in progress by the Bureau of Agricultural Economics and the Bureau of the Census involving a matching of schedules from the 1940 Censuses of Population, Housing, and Agriculture to afford information on the interrelationship of data gathered in these Censuses. A major aim of this study is to clarify the relationship between the number of farm workers reported in the Census of Agriculture and the number reported in the Population Census.

The Bureau has contributed to the planning and development of the population and labor information to be gathered in the 1945 Census of Agriculture, which will obtain much more detail on population and labor force participation for persons included in a 6 percent sample of all farms (Master Sample farms). Analysis of these materials by the Bureau of Agricultural Economics in cooperation with the Bureau of the Census during the fiscal year ending 1946 will provide further basis for clarifying the relationships between the two series on agricultural employment and for exploring the feasibility of altering the present concept of farm population.

A Nation-wide survey was made in January to provide information on all the different persons comprising the farm working force of 1943 and on the time worked on farms by these persons. At the request of the Manpower Commission data were compiled on the agricultural labor force for a number of States for use in developing a summary of the total labor supply. The Bureau has just completed a study of differentials in productivity and in farm income of agricultural workers by size of enterprise and by regions during the year 1939, and a bureau-wide committee has just completed the preparation of an exhaustive report upon the farm labor and wage problem.

The farm laborers constitute probably the poorest paid of any large group of essential workers. In any depression many must go on relief and often constitute a health problem. Under the stimulus of wartime demand the situation of this group has been somewhat improved, these laborers having on the average better food, better clothing, somewhat better housing and more stable work than formerly. The problem to which the Bureau is giving the most serious attention is how these gains can be preserved.

Labor needs of agriculture: Wartime studies of the labor needs of agriculture are concerned with determining the amount of work to be done in war food and fiber production, the number of workers needed to get it done, and the most effective utilization of available workers. By utilizing existing data to the fullest extent and doing only a small amount of field work, estimates have been made by commodities of labor requirements by States and for major farming areas and distributed by months throughout the year. From these basic analysis estimates have been made of probable increases in labor requirements that would accompany potential increases in wartime production. Attention has also been given to problems of efficient utilization of reduced farm labor supply both by areas and by commodities.

Migration to and from farms: In addition to the annual estimates of numbers of persons moving to and from farms, the following types of additional studies on migration must continue: (1) Survey of current and prospective migration problems, a preliminary reconnaissance now being undertaken in our sample counties to provide guidance for the more comprehensive study of immigrants proposed above; (2) continuing analysis of the factors associated with migration from farms during the 1930-40 decade by counties; (3) special studies of migration such as the study of Negro migration from the rural population in two Black Belt counties in the Cotton Belt.

Program Analysis and Service:

Objective: To develop programs and services aimed at maintaining and improving farm income and the demand for farm products, through analyzing and interpreting the probable effects of (1) The reconversion of the industrial economy from a wartime to a peacetime basis; (2) the development of new international policies and arrangements; and (3) improved nutritional programs for consumers. In addition, to provide continuous advisory and analytical assistance to operating agencies of the Department and War Food Administration, as well as other agencies of Government whose programs affect agricultural conditions.

The Problem: While the major interest of the Bureau in connection with this project is with the present program of war food production, attention must also be given to several post-war problems of farmers. Particularly is there need for studies to show the effects of the demand for agricultural products of the termination of: War production, lend-lease food purchasing, distribution of relief supplies, and similar factors that will have a depressing influence on farm prices. Other forces, such as the cessation of rationing, the expansion of ocean shipping, and the spending of accumulated savings, will result in increased demands for farm products. The relative influence of these opposing forces needs to be appraised, and conclusions reached as to the necessity for special nutritional programs to expand the domestic consumption of agricultural products.

Plan of Work: Studies and investigations will be carried out in cooperation with other agencies of Government: (1) To determine the significance of full employment conditions in agriculture on the demand for farm products; (2) to determine the need for special food consumption programs in this country, as means of expanding the farmer's market and also bringing about improved nutrition among consumers, under conditions of full employment, moderate unemployment, and severe depression; (3) to evaluate the economic possibilities of developing post-war rural industries, particularly in the South, with a view to utilizing local supplies of labor, raw materials, and surplus war equipment; and (4) to determine the effects of lend-lease, trade agreements, international relief programs, and reconstruction and development loans on domestic agricultural problems and programs.

The staff functions under this subdivision involve a combination of analytical activities and advisory responsibilities in connection with policy and program operations of the action agencies. Analytical activities are oriented not only to current agricultural problems, but also to potential developments in the field of public action with respect to agriculture. The analyses often cut across the fields of various divisions and agencies in a manner that will

permit the fullest utilization and synthesis of pertinent facts and information available. In all instances, the analytical work is undertaken with the aim of bringing forth workable programs or changes in existing programs.

Closely related to this analytical work, but at the same time different from it, is the liaison service activities arising out of the Bureau's close collaboration with action agencies located within the Department of Agriculture and the War Food Administration, and within other agencies of the Government, such as the War and Navy Departments, War Production Board, Office of Price Administration, Interior, UNRRA, Treasury, and the Federal Reserve Board. Here the task is twofold: First, to make available to these agencies data and analytical studies of the Bureau of Agricultural Economics as an aid to them in formulating and carrying out their programs; and second, to obtain from them pertinent information and advice respecting their activities and future policies which have a direct bearing on agricultural problems.

Examples of Progress and Current Program:

Master sample for gathering agricultural data: Demands upon the Department for additional data and more detailed agricultural information have been greatly intensified by the war, and as a result, the value of devising some uniform and integrated system for making surveys in the Department became urgent. The Bureau decided therefore to set up a sample of farms which would in effect be a small replica of all the farms in the United States and to call it a "Master Sample."

Work was started in March 1943 under the guidance of a small Bureau committee. The technical operations and actual drawing of the sample have been concentrated at the Statistical Laboratory at Iowa State College. The work is being carried out in cooperation with the Census Bureau, and the validity of the sample will be tested, in part, by the results of the next Census of Agriculture.

The Master Sample consists of three independent samples, each containing approximately 100,000 farms, which will each provide a cross-section of American farms. They can be combined to make one national sample of about 300,000 farms. Every county containing agricultural enterprises will be sampled and the sample stratified geographically. With this sampling method it is possible to estimate number of farms, average size of farms, total farm land, changes in ownership, and other factors which could not be accurately estimated by previous sampling methods. The Master Sample is broad enough in coverage and sufficiently large to permit sub-samples to be drawn for local surveys varying widely in scope and objectives.

Ways and means of obtaining a high level of food consumption in this country: A preliminary report has been prepared which indicates the major deficiencies in diets of various income groups of consumers which are likely to prevail with moderate unemployment in 1950, and the increased income of farmers that would result from programs to

largely eliminate these deficiencies through subsidized food consumption programs. Further work is being done to design suggested programs of this general nature that might be adapted to differing amounts of unemployment, and to show the relationship between Government expenditures to subsidize food consumption and the effects of such expenditures in maintaining full employment.

Post-war employment and industrialization opportunities: Technical assistance and "on-the-spot" advice is being given to approximately 15 rural communities, in which locally-sponsored groups or organizations are making studies of post-war rural industrialization. At least twice this number have been aided with written suggestions, forms, and reports pertaining to ways and means by which local service clubs, or similar organizations, can survey probable post-war demands, and the labor force that will be required to produce locally those things that are adapted to local manufacture or fabrication. Many additional requests for this service are constantly being received. Working relationships have been established with other departments of Government, several State Universities, and certain business organizations, in order that they could aid in this activity of servicing local organizations interested in studying their post-war employment potentialities. This activity holds great promise for getting small industries in many rural areas through plans made by the local people, with a minimum amount of technical assistance from the Bureau and cooperating agencies.

Public response to agricultural programs: At the request of the War Food Administration and other agencies of the Department, as well as other agencies of the Government, a very large number of spot surveys have been made for the purpose of obtaining for administrative officials in an objective way the facts needed on the attitudes of the people affected by specific programs. These surveys show what the thinking of the people is with regard to a program, the degree of success which is being obtained, the obstacles to be overcome, the faults in methods which are being pursued and the possibilities of alternative methods and other desired information. The Master Sample for gathering statistical data will prove very helpful in this type of study.

Surveys have been made of the extent to which consumers were responding to special war food programs to aid in the campaigns to stimulate use of the commodities which were in good supply; and of farmers' production and marketing plans for various crops and livestock products. Information has been gathered on ways in which farmers believe the government can help them in achieving optimum production. Surveys have been made also covering various phases of conservation: On Victory gardening and home canning projects, on rationing and other problems. The data obtained have been important to the most effective operation of the various Departmental programs.

(b) Crop and Livestock Estimates

Appropriation, 1945:

Regular Act	\$1,500,000	
First Supplemental Appropriation Act, 1945 (collection, analysis, and publication of data on agricultural wages and wage rates) ..	<u>235,000</u>	
Total appropriation, 1945		\$1,735,000
Transfer, 1945, from "Salaries and expenses, War Food Administration"		<u>+175,000</u>
Total available, 1945		1,910,000
Budget estimate, 1946:		
Direct appropriation	1,420,000	
Transfer, 1946, from "Salaries and expenses, War Food Administration" ..	<u>149,000</u>	
Total available, Budget estimate, 1946		<u>1,569,000</u>
Change for 1946:		
Overtime decrease	-255,680	
Other decrease	<u>-85,320</u>	<u>-341,000</u>

PROJECT STATEMENT

Project	1944	1945 :(estimated):	1946 :(estimated):	Increase or decrease
1. Crop and livestock estimates	\$1,435,228:	\$1,654,320:	\$1,569,000:	-\$85,320(1)
2. Overtime costs	219,112:	255,680:	- -:	-255,680
Unobligated balance ...	23,926:	- -:	- -:	- -
Total available	<u>1,678,266:</u>	<u>1,910,000:</u>	<u>1,569,000:</u>	<u>-341,000</u>
Received by transfer from "Salaries and expenses, War Food Administration"	-170,000:	-175,000:	-149,000:	
Total estimate or appropriation ..	<u>1,508,266:</u>	<u>1,735,000:</u>	<u>1,420,000:</u>	

INCREASES OR DECREASES

The decrease of \$341,000 for 1946 consists of the \$255,680 decrease for overtime, and

- (1) A decrease of \$85,320 in the item for the continuation of the collection, analysis and publication of data on agricultural wages and wage rates for which \$235,000 (including \$30,680 overtime) was appropriated in the First Supplemental Appropriation Act, 1945.

Statement with Respect to Project on Wages and Wage Rates

Objective: The purpose of this project is to carry on the collection, analysis and publication of detailed data on agricultural wages and wage rates for the Nation, States, and selected areas. The work is being initiated in the fiscal year 1945 under a supplemental appropriation. Adequate information was not previously available that could be used in the guidance of agricultural production programs and in laying the foundation for reconversion from war-time to peace-time operation. In the 1946 fiscal year information will be secured on (a) wage rates for regular and seasonal farm workers, by States and by types of work or operations performed, (b) seasonal farm wage rates in intensive production areas utilizing large numbers of seasonal and migrant workers.

Problem and Significance: The Department does not have adequate data on agricultural wages, although problems connected with agricultural wages are important in the successful prosecution of the war and will be in the period of readjustment following the war. In 1944, the number of hired workers averaged about 2 and one-half million who, with their families, make up a population group of perhaps 6 or 8 million persons. Wage rates, earnings, and living standards of this group obviously must be given substantial consideration in the development of agricultural and national policies. During the war, attention is being focused on getting sufficient help on farms to produce enough food and fiber supplies for ourselves as well as to supplement the supplies of our Allies and liberated people. Much importance is also being placed on problems connected with agricultural wage stabilization. Should the war end, the problems of maintaining full employment will bring to the fore again the prewar problems of jobs and a living wage for farm laborers. These problems are likely to become accentuated by the imminent rapid rate of mechanization. Thus the course of farm wage rates in various parts of the country will continue to figure importantly in many types of agricultural problems, including parity income and prices.

Plan of Work: The farm wage information being obtained through the funds allotted for the fiscal year 1945 relate to the months of January through June 1945. The appropriation for the fiscal year 1946 is needed to complete the wage picture for 1945 as well as to obtain similar information in 1946. Nearly 60 percent of the man-months of hired labor used on the farms of the United States are employed in the second half of the calendar year. In the fiscal year of 1945 most of the emphasis was placed on enumerative surveys to obtain wage information for broad regions and type-of-farming areas so as to build a sound foundation for mailed inquiries.

In 1946, the emphasis will be placed upon mailed inquiries to secure wage rates by States for specific jobs or operations and reliable estimates of the general wage rates in each of the States. The mailed inquiries will be supplemented by enumerative surveys for specialized crop areas with high seasonal labor requirements in certain States. The enumerative work in the fiscal year 1946 will permit an extension

of the seasonal wage enumerations made in 1945 so as to secure corresponding information for crops which are harvested in the fall of 1945, as well as wage rates for harvesting of early crops in the spring and summer of 1946.

These mailed and enumerative inquiries together with the information secured in the fiscal year 1945 will also provide a current set of weights for combining specific wage series in the construction of revised wage rate indexes. They will also yield more detailed information on wages and perquisites of regular and seasonal workers by method of payment, type of work performed and by sex, age, and other characteristics of the workers.

The general plan for the fiscal year 1946 is to mail a questionnaire to about 100,000 farms selected in such a way as to provide a representative cross section of American agriculture and to furnish a basis for making estimates by States. In addition certain enumerative surveys will also be made of wage rates paid in the growing and harvesting of a number of special crops in States and counties which figure importantly in the employment of seasonal or migratory laborers.

WORK UNDER THIS APPROPRIATION

Objective: The objective of this work is to gather the basic data and to make the official estimates and reports on the Nation's agricultural output, covering a wide range of subjects. These include present and prospective production of all of the principal crops and classes of livestock, livestock products, dairy and poultry products, farm and non-farm stocks, utilization, prices received and prices paid by farmers, farm employment and wages, and many types of related information.

In addition to the normal, peacetime uses made of these basic data, they furnish an essential part of the background for requirements and allocations control and various emergency programs of the War Food Administration, commodity price control through ceiling and support prices, and the establishment of production goals. They provide much of the background for the preparation of reports on maximum wartime production capacity and production adjustment studies, on food and feed supply, on livestock slaughter and marketings, and on drought and other weather emergencies.

The Problem and its Significance: There is a vital and increasing need for current, detailed statistics on agricultural production and related subjects as a basis for planning war programs. The Bureau is being called upon to furnish the action agencies of the government with more detailed facts, including greater segregation of the estimates for areas smaller than a State. New information on minor crops is being called for because of the important place many of these have assumed in meeting war needs. Among the fields for which basic estimates and data are most urgently needed are in connection with administrative analyses and farm organization activities under the

programs for determining maximum needs of foods and staples and increasing the production of essential war crops; determining requirements and priorities on machinery, equipment, and supplies, required to maintain essential agricultural production and the most effective allocation of the materials apportioned to agriculture; providing for the transportation and storage of grain crops and the handling of expanded marketings of other farm commodities; appraisal and loan operations; and price control and price support measures.

The Bureau of Agricultural Economics serves as the economic fact-finding agency of the Department, and under the law is the governmental agency charged with making all primary estimates on current and prospective production of American agricultural products.

Plan of Work: Through the Washington office and 41 field stations, the Bureau maintains a crop and livestock estimating service which gathers data and publishes periodic reports on agricultural production, and related data covering more than 100 crops and classes of livestock. In 32 States formal cooperative agreements are in effect under which State agencies contribute to the joint operation of the offices or furnish assistance in preparing the State reports. Eight additional States cooperate in the conduct of the service on manufactured dairy products. During the current year the States participated in the work to the extent of approximately \$360,000.

More than 330,000 voluntary farmer reporters furnish information regularly, as well as large numbers of local merchants, mills, elevators, ginneries, dairy products manufacturers who furnish reports on prices, stocks, quantities of commodities processed, and other data.

The Crop Reporting Board and other staff members apply the most up-to-date statistical methods known in analyzing the data and preparing the reports on all of the large number of commodities covered. Many special tabulations and analyses are made at the request of other branches of the Department and other agencies of the government for use in handling various war emergency situations. The Bureau's representatives assist on all the National War Boards and furnish all available agricultural information. The Bureau of Agricultural Economics acts not only as a fact-gathering body, but also serves as a clearing house for economic statistical information and in its capacity as a staff agency aids in the formulation of Departmental programs.

Examples of Progress and Current Program:

Cotton statistics: In addition to the regular estimates required by law on production, much information was assembled for use in arriving at production goals and in allocating fertilizer, and for other purposes. Successive steps designed to standardize the results of cotton inquiries and to combine or eliminate certain questions have resulted in a saving of time in the estimating techniques and in increased accuracy of the cotton estimates. Revised estimates of cottonseed production by States were prepared and a program for current estimates on cottonseed was inaugurated last year.

Grain, hay and forage crops: The problem of providing adequate storage for grain crops and of facilitating the orderly movement of grains under disturbed transportation conditions, made it necessary to continue a special program of estimates of production and farm stocks by crop reporting districts. Such reports including estimates of production for 7 crops and farm stocks for 4 crops were published for 17 States. District estimates of production covering the production of 7 important grain crops; namely, winter wheat, spring wheat, oats, barley, rye, flaxseed and soybeans were issued during the months of the growing season from May through September for the 17 principal States. District estimates covering stocks on farms of corn, oats and barley for the quarterly dates July 1 and October 1, and of soybeans as of October 1 were issued for 14 important States.

Quarterly reports of stocks of wheat, corn, oats, barley and rye in interior mills, elevators, and warehouses have been improved by sample stratification and by the application of the regression method to the estimating procedures.

Dry beans and dry peas have become critical food crops. This fact has given rise to new demands for additional statistical information on these crops. Information was published in greater detail on production by kinds of beans and peas, and reports were expanded to include the acreage and production in new areas into which the acreage was extended to meet wartime demands, on both farm and commercial stocks in total and by kinds. This information was needed in setting up prospective requirements and allocations for military, naval, lend-lease, rehabilitation and domestic civilian use in the prosecution of the war.

Research into better methods of allowing for the influence of hybrid corn seed upon yields of corn led to the development of two series of charts by States, using data obtained through the General Schedule. By means of these charts and data it has been possible to make a more adequate allowance for the increment due to hybrids when interpreting reported condition, particularly for Corn Belt States.

Intensified interest in soybeans as a critical vegetable oil crop led to expansion of the soybean reports to include quarterly stocks of soybeans in all positions. The county estimates of acreage and production in the principal soybean States and forecasts of production have been improved and the coverage increased to 15 States. A long-time series of revised county wheat and corn estimates were prepared for the use of the Agricultural Adjustment Agency and others.

Seeds: Eight vegetable seed surveys covering acreage, production and stocks of 260 kinds, varieties, and types, and two inquiries regarding the condition of those seed crops of particular interest to the Government were made during the year. The condition inquiries (as of July 13 and September 15, 1943) were made at the request of the Combined Food Board. The results of all the vegetable seed surveys and inquiries constituted the basic information relating to supplies of these seeds for allocation to the United Nations.

At the request of the War Food Administration information regarding the production of war approved seed potatoes, as well as certified seed potatoes, was obtained. This information was published by varieties and States.

For the first time since the spring of 1941 a disposition survey covering 1943 crops of 6 important kinds of field seeds was made. Because requirements of 5 of the 6 kinds were expected to approximate production plus carry-over, greater interest than ever before was shown in the results of the disposition survey. For the first time also stocks of Government-owned field and vegetable seeds were published in the same reports as those covering dealers' stocks. Because of large Government-owned stocks of certain classes of seed this change in reporting stocks provides much more comprehensive information on total seed supplies.

At the request of the Department Victory Garden Committee, two special Spot Surveys were made in early spring of 1944 to determine sales of vegetable seed as an index of the progress of the Victory Garden campaign for increased food supplies.

Fruits, Vegetables, and special crops: Estimates of commercial truck crops for the fresh market have been regrouped to show supplies harvested separately for the 4 seasons, winter, spring, summer and fall, with sub-groupings within these seasons where necessary. All estimates have been revised on a State basis in accordance with this new grouping for the years 1918 to date. A more comprehensive program of production forecasts has been set up for these seasonal groupings giving more frequent and more timely estimates of forthcoming supplies for each of the fresh market vegetables.

On March 1, 1944, a potato stocks report was inaugurated, and special stocks analyses of February 1, April 1, and May 1 were made for the administrative use of the War Food Administration. A disposition inquiry on sweetpotatoes was also inaugurated.

Previously unpublished monthly truck crop price data have been analyzed and estimates published for 19 crops in the monthly report of agricultural prices. Monthly series have been published for the years 1937 to date.

Estimates of production of each of the leading varieties of apples were published for the first time in January 1944 and covered the crops of 1942 and 1943. Detailed utilization estimates of farm production of all major crops were prepared and published for 1943 with comparisons for previous years. In 1943 monthly district forecasts of sweetpotato production in each of the important sweetpotato States were made particularly for the use of the War Food Administration. Tung nut production estimates from 1939 to 1943 were published for the first time.

Numerous special surveys have been made between regularly scheduled reports to show changes that have occurred over short periods of time because of freezes, floods, storms, droughts or damage by insects. These appraisals have been made within 48 hours and reports transmitted to the War Food Administration for their guidance in recommending appropriate ceiling prices for fruits and vegetables to the Office of Price Administration.

Livestock estimates: An important accomplishment of the year has been the establishment of a dependable basis for determining livestock slaughter by States which will furnish better records of livestock disposition in all States and much better research in States where most of the State production is disposed of through local slaughter establishments. These records are based principally upon reports required by the Office of Distribution from all licensed slaughterers. Procedure has been developed to make full use of this information in the estimates of disposition, production and income from meat animals. Livestock information from the Agricultural Adjustment Agency farm plan tabulations has been analyzed for the purpose of arriving at numerical estimates of cattle on feed in the North Central States on January 1, and as a check against estimates of other livestock made on the basis of sample data, special information on the percentage of farms selling meat was furnished the Office of Price Administration.

In response to the need for accurate figures on food supplies for use in government procurement and rationing programs the Bureau has made forecasts and estimates of meat supplies for seasonal periods. These involve forecasts and estimates of livestock slaughter in different channels. In order that all agencies will use comparable figures the work of estimating livestock slaughter and meat production has been assigned to this Bureau, where the first of such estimates was made in April.

Dairy products: An outstanding example of a successful cooperative enterprise has been the operation of the Chicago dairy office. To meet the greatly increased demand for information, the Chicago dairy office has been enlarged and is operating as a service agency to collect and process data required by war agencies operating in the dairy field. Data are being furnished the Office of Price Administration in connection with its rationing program, the War Food Administration for its limitation and set-aside orders dealing with butter, cheese, and ice cream, and the Defense Supplies Corporation for use in the butter subsidy program.

War agencies have been making extensive use of the material on manufactured dairy products which have been compiled in the Dairy Section of the Washington office. Set-aside reports on the dry skimmed milk industry are being collected for the War Food Administration and basic information for all phases of their dairy program is being furnished to them, to the Office of Price Administration and to other war agencies.

About a dozen States have begun making monthly milk production estimates. This has required an extensive program of assembling and analyzing a large body of background information relating to monthly production and

utilization of milk and milk products, as well as development of adequate methods for making the monthly estimates. Close coordination of the State programs with national objectives is necessary. It is expected that all States will be making monthly estimates within a year or so.

Poultry statistics: Preparation of the monthly estimates of numbers of layers, rate of lay and total egg production has been enlarged since transfer from Washington to State offices as of January 1, 1943. The liquid and dried egg schedule was considerably expanded to get historical data on 1942 and current information for the administration of Food Distribution Orders.

Results of a complete survey of the hatchery industry in the United States were published, and the size of monthly hatchery sample was greatly expanded. Commercial hatchery estimates 1937-43 were revised on the basis of the 1943 survey. A survey on source and breed of chicks hatched in 1943 by States was completed, and the results have been published.

A feed survey by States showing feed consumption by size groups and by breeds in relation to egg production was also completed.

Prices received by farmers: The regular estimates of actual prices and computations of parity prices have been continued during the past year, and many special tabulations have been prepared for agencies concerned with price ceilings and price supports for agricultural products. The preliminary work incident to the evaluating of production data to be obtained in the 1945 Census of Agriculture has been completed under a cooperative agreement with the Census Bureau whereby the Bureau will furnish the Census reliable county estimates of prices received by farmers for 89 products during the 1944 crop or calendar year.

A complete revision of the Prices Received index (1909 to date) has been made. For the first time, separate sub-indexes of crops and live-stock were prepared. The revised index also features a regrouping of commodities on a more practical basis.

Work has progressed on an analysis of current local marketing practices for each of 167 farm products, in order to obtain information on the method of selling farm products in all parts of the country, on the grades and qualities on which prices are commonly quoted, and on the degree to which reported prices approximate the actual average of the numerous classes, grades, and conditions under which farm products are actually sold.

A pamphlet has been released summarizing prices received by growers for fruit and nut crops by type of sale and utilization group.

Prices paid by farmers: In response to urgent demand for information on the rural price level, actual prices paid for all items in the family living index have been compiled and published, and regional prices paid for certain commodities (e.g. clothing) have been published for the first time. Indexes of prices paid by farmers have been under construction in Arkansas and Maryland, and a "prices paid for feed" index has been prepared for New Jersey.

A comprehensive analysis of the difference between prices paid by farmers and urban living costs was completed in cooperation with the Bureau of Labor Statistics for the Director of the Office of Economic Stabilization.

Farm labor: The standard series on farm employment, wage rates, and the supply of and demand for farm labor have been continued. The employment estimates, though needing further strengthening, still furnish the basic long-time series for comparison with other information compiled on the subject. In addition, information gathered under this project has been of extensive assistance to labor officials charged with the establishment of farm wage ceilings, the location of War Prisoner Work camps, and related administrative functions.

Peanuts and tobacco statistics: The monthly peanut stocks and processing report forms were revised and expanded to provide statistics on the quantities of shelled peanuts used in each of the several peanut products such as peanut butter, salted peanuts, candy, etc. This procedure eliminated the necessity for the collection of such data by the Food Distribution Administration thereby avoiding duplication. The monthly peanut stocks and processing reports have been expanded to provide more comprehensive data on monthly stocks of peanuts in all positions converted to farmers' stock basis and in-to-sight movement of farmers' stock peanuts by year of growth.

The weekly peanut shipment statistics were modified and coordinated with the monthly stocks and processing reports, thus eliminating considerable work and providing more accurate shipment statistics.

Miscellaneous: Preliminary work was done on estimating the total number of farms in the United States. This has required special reports from crop correspondents and special tabulations and analyses.

More than 100 special tabulations on other subjects were prepared during the year to supply information requested by the Office of Price Administration, War Production Board, Commodity Credit Corporation, and others.

Through a cooperative arrangement with the Agricultural Adjustment Agency, special tabulations were made in 9 southern States of a sample of approximately 10 percent of the 1944 Farm Plan sheets. This required the development of a sampling and estimating procedure which would give unbiased results. The information compiled from the farm plan samples will be used for the preparation of county estimates of crop acreages and livestock numbers and will also be used for further research on sampling problems. This project was a part of the general program of the Bureau to make available to governmental agencies and the general public as extensive a body of county data as possible. The demands for this type of information have multiplied greatly during the emergency period and considerable progress has been made, particularly during the past year, toward meeting them.

(c) Special Research Fund, Department of Agriculture
(Allotment to Bureau of Agricultural Economics)

This budget schedule covers obligations under an allotment for economic research on inter-regional competition in the production and sale of farm products; study of relative efficiency with which different crop and livestock enterprises convert labor, land, feed, fertilizers, and other resources into food products; research on the position of the oil crops in American farming; and research on statistical methods used in crop forecasting and estimating to develop improved procedures.

(d) Working Funds (Bureau of Agricultural Economics)

This budget schedule covers obligations under advances, pursuant to Section 601 of the Economy Act of June 30, 1932, for services performed for various agencies as indicated in the following statement of obligations under supplemental funds.

STATEMENT OF OBLIGATIONS UNDER SUPPLEMENTAL FUNDS 1/
(1944 and 1945 figures include overtime costs)

Item	Obligations, 1944	Estimated obligations, 1945	Estimated obligations, 1946
Cooperation with the American Republics (Transfer from Department of State): For intern training of agricultural economists from other American countries 2/	\$38,561:	\$3,480:	\$35,480
Special Research Fund (Department of Agriculture): For special researches on economic factors affecting the farm industry	66,606:	61,700:	54,705
Working Funds (Bureau of Agricultural Economics) Advances from:			
Bureau of the Census: Statistics of prices received by farmers for specified agricultural products, farm value and other data:	44:	44,956:	- -
Planning and developing new methods of procuring agricultural data	49,230:	69,770:	- -
Total, Bureau of the Census	49,274:	114,726:	- -
Interior Department: Research on:			
the character, scope and organization of the Central Valley Project of the Bureau of Reclamation	30,854:	14,367:	- -
Farm management and market outlet studies on Yuma Mesa Pre-development program of Bureau of Reclamation	1,036:	12:	- -
Total, Interior Department	31,890:	14,379:	- -
Office of Price Administration:			
Collecting and analyzing statistics on dairy products	27,600:	47,203:	- -
Treasury Department: Study of factors affecting sale of war bonds, records of savings of certain economic groups and related information	14,046:	331:	- -
Study of methods to be used in carrying out Third War Loan drive	31,070:	458:	- -
Research concerning effectiveness of Fourth War Loan drive	39,022:	978:	- -
Study of the effectiveness of the various methods of selling war bonds and factors affecting the sale of bonds in the Fifth War Loan drive	- -:	40,000:	- -
Total, Treasury Department	84,138:	41,767:	- -

STATEMENT OF OBLIGATIONS UNDER SUPPLEMENTAL FUNDS (Contd.)
(1944 and 1945 figures include overtime costs)

Item	Obligations, 1944	Estimated obligations, 1945	Estimated obligations, 1946
Working Funds (Bureau of Agricultural Economics) Advances from:			
(Continued):			
War Department: Preparation of approach aeronautical charts ..	\$2,249:	- -:	- -
Total, Working Funds	195,151:	\$218,075:	- -
Total, Obligations under Supplemental Funds	300,318:	283,255:	\$90,185

- 1/ Exclusive of Lend-lease funds which are not included in the regular Budget.
- 2/ Budget schedule for this item appears in the Department of State chapter of the Budget, page 596.

PASSENGER-CARRYING VEHICLES

It is estimated that the Bureau of Agricultural Economics will need to replace 14 of its present fleet of cars in 1946 at a net estimated cost of \$11,200. In addition, the estimates provide for the purchase of 3 additional cars at a total cost of \$3,000.

The 14 cars to be replaced will have an average of more than 60,000 miles each, and all will have been in use four years or more. They are used by statisticians and research specialists engaged in the gathering and preparation of crop and livestock estimates data, in obtaining consumer statistics, and in field work on farm management and land use problems at various points throughout the country.

Of the 3 additional cars to be purchased, one will be needed for the Portland, Oregon region. A car was formerly available at this point but was turned in several years ago and has not been replaced. Two new cars are requested for the Ames, Iowa and Sioux Falls, South Dakota State offices, both of which have had cars in the past but due to greater urgencies were transferred elsewhere. The type of travel involved in the field research activities of these offices concentrates upon a precise sample routing in concentrated crop areas to secure objective data on crop yields, varieties and other data. Much travel in rural areas not accessible by common carrier is necessary in order to obtain essential information upon which to base forecasts and estimates.

If it should prove to be impossible to obtain all of the cars estimated for 1946, the funds estimated for purchase will be needed for the maintenance and repair of the old cars and to provide other means of transportation.

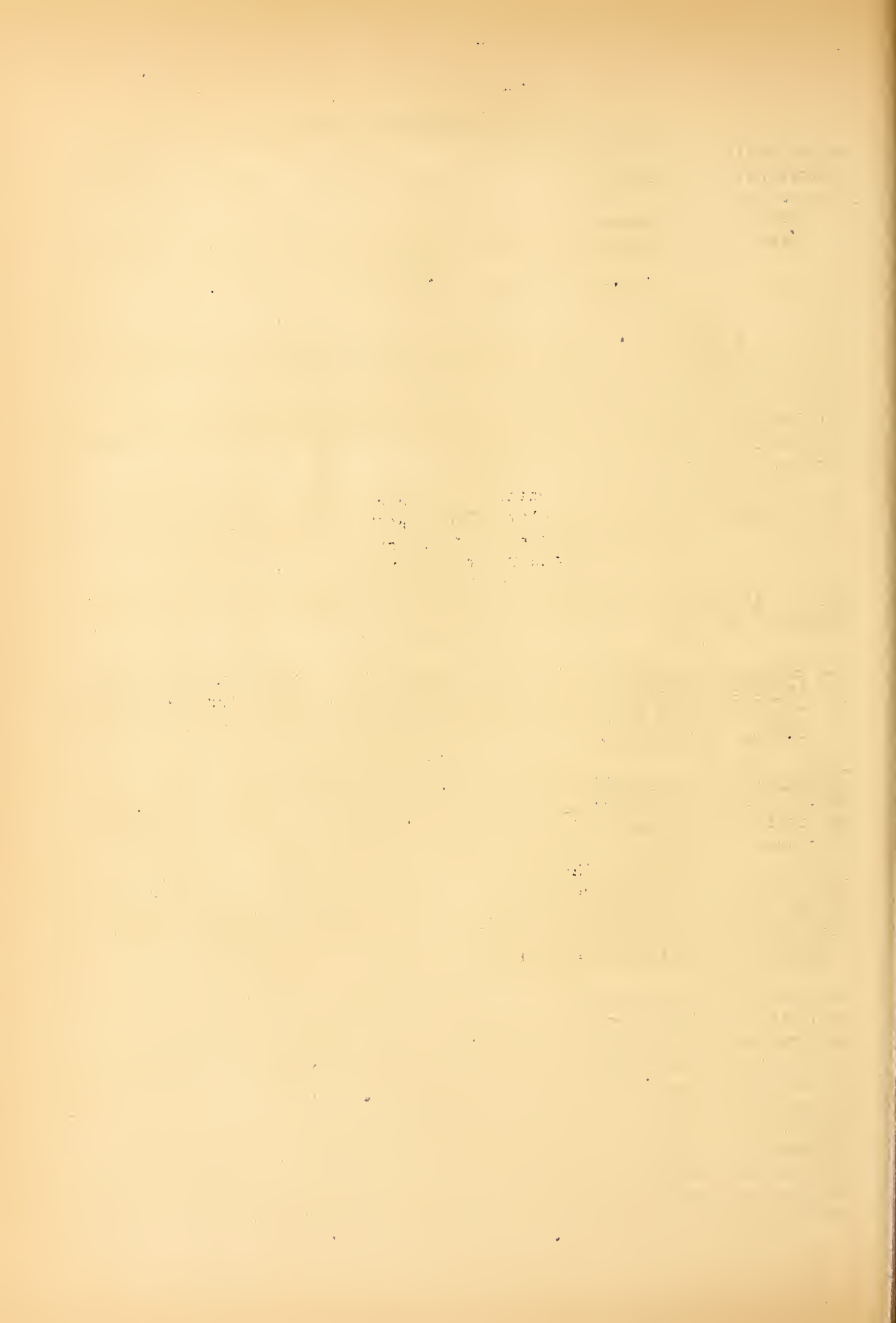
PENALTY MAIL
Section 2, Public Law 364, 78th Congress
(Allotment to Bureau of Agricultural Economics)

	<u>Category 1</u>	<u>Category 2</u>	<u>Total</u>
1945	\$135,000	\$115,300	\$250,300
1946	145,000	149,000	294,000
Change	+10,000	+33,700	+43,700

Category 1 consists of bulletins and reports released by the Bureau covering all types of crop and livestock production data, agriculture situation reports, information on farm finance, land values, costs, prices and income in relation to farming, farm management data and other statistical and economic information on agricultural production, distribution, and related subjects.

Category 2 consists almost entirely of schedules mailed out for the purpose of obtaining data relating to agriculture, to be used in preparing crop and livestock estimates, acreage, yield, grades, staples of cotton, stocks and value of farm crops, and numbers, grades and value of livestock and livestock products and related data. Also included is the regular operating and administrative correspondence necessary to the work of the Bureau.

The increase of \$43,700 for 1946 is based in part on an increase of \$119,000 in the Budget for farm wage statistics. This increase will be used almost entirely for gathering information by mailed questionnaire. In addition, there has been a continually increasing demand from war agencies for special statistical information which must be obtained by means of mailed inquiries. The information is furnished by reporters who are interested in receiving the government reports. In order to maintain mailing lists successfully for securing these data, it is necessary to return to the reporters copies of the completed reports to which they have contributed, since these reporters are unpaid voluntary workers and the only compensation which they receive is the copy of the report. It is anticipated that more than 2,000,000 additional schedules will be mailed and half a million additional informational bulletins and reports distributed.



OFFICE OF FOREIGN AGRICULTURAL RELATIONS

(a) Salaries and Expenses

Appropriation Act, 1945	\$481,505
Budget estimate, 1946	500,000
Change for 1946:	
Overtime decrease	-63,317
Increase	<u>+81,812</u>
	<u>+18,495</u>

PROJECT STATEMENT

Project	1944	1945 (estimated)	1946 (estimated)	Increase or decrease
1. Foreign agricultural relations	\$402,004	\$418,188	\$500,000	+\$81,812(1)
2. Overtime costs	59,785	63,317	- -	-63,317
Unobligated balance	11,881	- -	- -	- -
Total estimate or appropriation	473,670	481,505	500,000	+18,495

INCREASES OR DECREASES

The net increase of \$18,495 for 1946 consists of the \$63,317 decrease for overtime, and

- (1) An increase of \$81,812 for 1946 to permit an expansion of the work involved in receiving, analyzing and interpreting agricultural reports from all parts of the world and in disseminating the information and conclusions reached.

Problem Involved and Necessity for Increase: Increasing demands on the Office for such information by private as well as public organizations and individuals, together with demands of Government agencies, require increased personnel if the demands are to be effectively met.

There is general agreement as to the increasing importance to the United States of expanded foreign trade in farm products. Such an expansion must be based on a comprehensive and up-to-date knowledge of new and changing international developments.

For many years the Department of Agriculture--in recent years in cooperation with the State Department and its foreign reporting service--has gathered and supplied this information. The accumulated information and experience in the Office of Foreign Agricultural Relations proved to be of inestimable value when the war came, and it continues to be the reliance in this field. The Office now has a trained nucleus staff on which to build to meet the expanding problems. There is need more adequately to cover foreign food and agricultural conditions of the Pacific area (Australia, New Zealand, China, Philippines, Indies, Malaya, etc.) as well as in Russia and the Balkans with their complicated organization but with competitive as well as market potentialities.

The Department of State, recognizing the need for more adequate coverage of economic problems, is substantially expanding its foreign service in agricultural reporting, both of foreign agricultural conditions and of foreign agricultural policies. Implicit in this expansion of reporting is the obvious necessity for this Office to continue to discharge its own part of this increased responsibility. This is, first, the receiving, analyzing and interpreting of foreign agricultural reports, and second, disseminating the information and conclusions obtained. This responsibility requires an expanded staff for this Office for the immediate future period, and the proposed increase will more adequately enable the Office to meet the situation.

CHANGES IN LANGUAGE

The estimates include proposed changes in the language of this item as follows (new language underscored, deleted matter enclosed with brackets):

Salaries and expenses: For carrying out the functions of the Secretary under the Act of June 5, 1930, as amended (7 U. S. C. 541-545), independently and in cooperation with other branches of the Government, State agencies, purchasing and consuming organizations and persons engaged in production, transportation, marketing, and distribution of farm and food products, and for enabling the Secretary to [discharge his functions as a member of the joint Great Britain-United States board known as the Combined Food Board] coordinate and integrate activities of the Department in connection with foreign agricultural work, including the employment of persons and means in the District of Columbia and elsewhere, and the purchase of such books and periodicals and not to exceed \$500 for newspapers as may be necessary in connection with this work, [\$481,505] \$500,000.

In order to clarify existing appropriation language and bring it in line with the present situation, specific reference to the Secretary's functions as a member of the Combined Food Board is deleted and language is inserted with respect to the continuing function of coordinating and integrating the foreign agricultural activities of the Department. In October 1943, the Secretary was named neutral Chairman of the Board and, pursuant to Executive Order 9334, the War Food Administrator was named a United States member. The Office of Foreign Agricultural Relations continues to render service in the field in line with War Food Administrator's Memorandum No. 30, dated October 28, 1943, which states in part that "by agreement with the Secretary of Agriculture the services of the Office of Foreign Agricultural Relations are made available to the Chairman (of the Combined Food Board)."

WORK UNDER THIS APPROPRIATION

Objective: To maintain an experienced staff to collect and analyze foreign agricultural information from a constantly shifting world agricultural scene in order to deal effectively and promptly with a great range of foreign agricultural problems of significance to the United States.

The Problem and its Significance: One of the immediate tasks will be to reestablish the means for collecting and analyzing information on agricultural developments, both in the field of production and marketing, particularly in those areas reoccupied by the Allies during the war.

During the war period emphasis necessarily is being placed on problems pertaining to the production and acquisition of products in scarcity. However, it is already clear that upon cessation of the war the United States will immediately be faced with certain products in surplus quantities, and adequate knowledge of foreign competition and demand will be necessary to handle properly such surplus problems.

The reestablishment by the State Department of the Foreign Service in areas as they become accessible will be the chief means through which the desired information can be collected, but if full returns are to be secured for agriculture from this foreign service expenditure, it is imperative that the Department of Agriculture have an adequate staff of competent people to analyze this information and make it available for application to the solution of the many U. S. agricultural problems. Likewise, it will be necessary for the Department to send abroad highly specialized individuals who will concern themselves with specific commodity developments and problems, with particular reference to the reestablishment of European and other foreign markets for American agricultural surpluses.

We will, for example, wish to learn the condition of the foreign textile industry and its need for American cotton. Likewise, we should know to what extent the fruit-starved population of Europe will import American fruits and to what extent the fruit industry of the Continent, as well as other agricultural industries, have been set back during the war.

The importance of this work can be judged by the fact that already during the war, discussions and studies have been going on within the British Empire and in certain other regional or national groups pertaining to the postwar marketing of agricultural surpluses. It is also clearly apparent that other agricultural surplus countries are actively preparing to retain a hand in the marketing of their surpluses in competition with U. S. agricultural products. If the United States is to maintain its fair share of the world's markets, and at the same time keep adequately advised on foreign policies which have an effect on U. S. agriculture and agricultural markets, it is absolutely essential that it expand its agricultural intelligence service to whatever point may be necessary.

Plan of Work: The work of the Office is conducted primarily through two major branches, divided on a commodity and regional basis, and through staff divisions:

(a) International Commodities Branch: Through the facilities of this Branch, the Office guides the foreign service of the United States with respect to subject matter, scope and timing, in the systematic collection throughout the world of statistical and non-statistical information concerning crop acreages, yields and agricultural production. Also, it conducts surveys to determine areas and countries throughout the world best suited to the supplying of specific commodities or offering competition to American agriculture. The Branch regularly assembles and records the information so collected, supplementing it with data obtainable from official publications and agricultural, trade and scientific publications of other countries. It currently analyzes and interprets the information concerning foreign competitive production from the standpoint of its importance to American agriculture; and concerning non-competitive production from the standpoints of American consumer requirements, and United States wartime activities and peacetime economic cooperation with other countries. Through publications, correspondence and discussions, the information is made available to the American public, farmers, farm groups, and agricultural colleges, as well as to other bureaus of the Department and agencies of the Government.

Similarly, it (1) assembles information concerning stocks, prices, trade and consumption of agricultural products in foreign countries, (2) analyzes the information from the standpoints of demand and marketing opportunities for American agricultural products abroad, as well as from the standpoint of competition, and (3) disseminates the information currently.

Basic studies are conducted (1) of agricultural commodity production, (2) production methods and costs, (3) market requirements, (4) marketing policies, methods and costs, (5) trade and trade policies, and (6) consumption in foreign countries, with particular attention to shifts and trends and their causes. As funds and conditions permit, specialists are assigned to make specific studies from time to time of these developments by travel, observation and contacts in particular countries abroad, and to prepare special reports for policy guidance as well as reports for distribution to interested persons and organizations, both within and without the Government.

Specially qualified technical personnel of this Branch have been utilized in the war and war relief agencies; on the staff of the Combined Food Board; in committee work in connection with the Reciprocal Trade Agreements program and special commodity agreements such as the International Wheat Agreement, International Cotton Conference, and the Peruvian, Nicaraguan, and Haitian cotton purchase agreements; and on the Production Goals, Agricultural Outlook and Post-War Agriculture committees of the Department of Agriculture.

The International Commodity Branch is composed of five divisions. This is a reduction from the eight identified in the 1945 estimates:

Cotton and Other Vegetable Fibers Division
Tobacco and Tropical products Division
Livestock and Livestock Products Division
Fruits, Vegetables, Sugar, and Seeds Division
Grains and Oilseeds Division

(b) The Regional Investigations Branch: This Branch is basically concerned with the agricultural production resources and import requirements and agricultural and related policies of the various countries and regions of the world outside of the United States. Over a period of years there has been built up an expert staff familiar with the agriculture of the various countries and skilled at keeping in touch with developments through (1) reports of the Foreign Service of the United States, (2) periodicals and other source materials in the language of the country concerned, (3) published secondary materials, (4) contacts with competent observers returning from foreign countries, and (5) occasional assignments in the countries concerned to renew and keep up-to-date their extensive first-hand experience with agriculture in those countries. This task is basic to the work of the Department and to the foreign agricultural relations of the United States, both in war and in peace. Because of its nature it must be done by an experienced staff, trained in the specific field and familiar with the best means of keeping in touch with sources of information.

The Branch receives from abroad and analyzes, country by country, information on foreign agriculture, and disseminates it to institutions and agencies in this country. Predicated on world conditions, it also provides advice on agricultural policy to those concerned with both short-time emergency rehabilitation and with agricultural and economic relationships. In addition to the above regular activities, the Branch has been engaged during the year on the collection and analysis of data--chiefly to meet the wartime needs of the Armed Forces, and such agencies as the (1) United Nations Relief and Rehabilitation Administration, (2) Combined Food Board, (3) Foreign Economic Administration, (4) Office of Strategic Services, and (5) food allocations and procurement authorities of the War Food Administration.

Four divisions compose the Branch Organization:

International Economic Studies Division
Western Hemisphere Division
Far East Division
European and African Division

(c) Coordination and Administration: Much of the work in the field of coordination does not lend itself to the reporting of specific progress. Coordination of the Department's activities in the foreign field is a continuous task involving the maintenance of working relations with the various agencies of the Department as well as with the State Department and other Government agencies which have an interest in foreign developments. This type of work has materially increased during the past year because of the growing responsibilities of the Department in the foreign field, and it is evident their demands will be increased during 1946.

(d) Informational Activities: To the extent permitted by war conditions and consideration of national security, the information gathered and analyzed by the Office continued to be disseminated to Government and commercial agencies, research and educational institutions and the general public through the medium of previously authorized publications but with the size and free circulation of each rigidly curtailed in accordance with general desires of the Office of War Information and the Bureau of the Budget. These publications consisted of the following: A monthly summary edition of Foreign Crops and Markets; a weekly confidential edition of Foreign Crops and Markets, the circulation of which was restricted to certain war agencies requesting it; Foreign Agriculture, monthly; Agriculture in the Americas, monthly; and Latin American News Digest, weekly. In addition, the following non-periodical publications were issued during the year: Plants for Insecticides and Rodenticides, F.A.R. No. 8; The Fruit Industry of Mexico, F.A.R. No. 9; Kenaf as a Fiber Crop; Roselle as a Fiber Crop; and Grasses Producing Essential Oil.

Specific Accomplishments:

1. Handbooks on agriculture and food resources in Axis and Axis-occupied countries were prepared for the Army and Navy. These handbooks are used by the Armed Forces in the areas of operation and in training for military government. They seek to answer the questions: (1) What was the agriculture of the country when war broke out? (2) What has happened to the agriculture of the country during the war? Each country is identified by regions. Handbooks and guide materials are in preparation or have been completed for:

Yugoslavia
Hungary
Korea
Formosa
Mandated Islands

Civil Affair Handbooks (Agriculture) have been completed for the following countries:

Italy	Greece
Norway	Denmark
France	Bulgaria
Germany	Manchuria
Japan	

This work is a continuation and expansion of the work performed during the previous fiscal year.

2. Estimates of food supplies and relief needs in European countries in connection with the work of United Nations Relief and Rehabilitation Administration, Foreign Economic Administration, etc. These include data on agriculture and food supply, effects of occupation on food resources, and relief and rehabilitation needs of various countries. This material is developed by specialists having wide acquaintance with, and first-hand knowledge of, the agricultural data and resources of these countries.

3. Agricultural leadership for special agencies, such as the Middle East Supply Center, and the North African Economic Board. Investigation on the ground by specialists resulted in recommendations for suitable programs to increase the food supply in those areas for the local population, the United Nations' Armed Forces, and to supply relief for reoccupied areas. As the work progresses, continuing information and advice are furnished.

4. Advisory assistance, data and other documentation for the United Nations Conference on Food and Agriculture. This Office continues to develop plans for the permanent organization to carry out the objectives of that Conference.

5. Developed a method for measuring statistically the changes in food production in foreign countries since before the war, and this is being applied to expanded areas.

6. Studies of basic trends in foreign agricultural production and trade in relation to competition with and demand for American farm products after the war. These studies, begun in the previous fiscal year, involve preparation as public information of material on the agriculture of various countries in the form of published reports, as distinct from the confidential information furnished to the military and war agencies.

7. Analysis of economic and geographic data and preparation of maps in cooperation with the geographer of the Department of State and with the War Department map service.

Specifically, it is anticipated that the Office will:

(1) Furnish necessary background information and current advice for the formation of national policy in the field of trade barriers affecting agricultural products, international agricultural credit for foreign countries, agricultural labor in foreign countries, and similar matters;

(2) Cooperate with the staff of the Interim Commission on Food and Agriculture (or the Permanent Food and Agriculture Organization, if it is set up) in the development of plans for world agriculture;

(3) Analyze foreign food and agriculture developments, and international trade and payments as they relate to agriculture, and make available to the United States Government, and to the public at large, analyses of these matters as they affect American agriculture;

(4) Prepare studies of basic trends in foreign agricultural production and trade in relation to competition with and demand for American farm products after the war;

(5) Analyze economic and geographic data and prepare maps and charts for the purpose of summarizing and classifying the results of the work.

(b) Exportation and Domestic Consumption of Agricultural Commodities
(Allotment to Office of Foreign Agricultural Relations)

This schedule covers obligations under an allotment from funds appropriated under Section 32 of the Act of August 24, 1935, to obtain information on foreign market developments and other data related to the international aspects of the work under Section 32. Even though there is a current lack of export programs, the work of assembling foreign information that will eventually be needed in the consideration of future programs is a continuing task.

(c) Rubber Investigations, Bureau of Plant Industry, Soils, and Agricultural Engineering
(Allotment to Office of Foreign Agricultural Relations)

This budget schedule covers obligations during the fiscal years 1944 and 1945 under the balance of an allotment for coordination, as well as advisory and informational services in connection with the development of rubber production in the Western Hemisphere.

(d) Emergency Fund for the President, National Defense
(Allotment to Office of Foreign Agricultural Relations)

This budget schedule covers obligations during the fiscal years 1944 and 1945 under the balance of a transfer for expenses of technical experts to assist in problems pertaining to livestock and other food production in the British Isles.

(e) Cooperation with the American Republics

(Transfer from Department of State. Budget schedules appear under Department of State, page 596)

Latin-American Cooperation: In the field of Latin-American cooperation, the Office has a dual function:

(1) To direct and coordinate the Latin-American activities of the Department. This includes the program of the Bureau of Plant Industry, Soils, and Agricultural Engineering, for developing sources of natural rubber in the tropical areas of Latin America, and a program of in-service training of students from the other American Republics which, during the past year, provided training to more than 70 persons in four different bureaus of the Department.

(2) To develop the production of complementary products in the other American Republics through the establishment of cooperative agricultural research and extension centers. This is accomplished with funds allotted by the Department of State pursuant to agreements signed with Guatemala, Peru, Nicaragua, El Salvador, Ecuador and Bolivia. In these countries there have been established stations for which the local governments provide substantially more than the United States contributes. The Office also carries on active collaboration with existing agricultural institutions in Colombia, Cuba and Brazil.

A total of more than 40 American scientists and technicians are already actively engaged in investigational, extension and production work at the stations indicated above. Major attention is being given to the problems involved in producing or expanding the production of cinchona (a source of quinine), other drug plants, insecticides such as pyrethrum and rotenone, tropical fibers, cacao, and certain tropical vegetable oils. The first plantings of cinchona seedlings by any United States Government agency were the 140,000 seedlings planted under the program of this Office principally in Ecuador and Peru. About 300,000 derris cuttings also have been planted and technical assistance has been given to lonchocarpus growers in the Amazon area of Peru.

STATEMENT OF OBLIGATIONS UNDER SUPPLEMENTAL FUNDS 1/
(1944 and 1945 figures include overtime costs)

Item	Obligations, 1944	Estimated obligations, 1945	Estimated obligations, 1946
Cooperation with the American Republics (Transfer from Depart- ment of State): For promoting in Latin America the production of complementary or non-competitive agricultural products 2/.....	\$428,000:	\$469,315:	\$563,320
Exportation and Domestic Consumption of Agricultural Commodities: For services required in the adminis- tration of Section 32 of the Act of August 24, 1935	46,047:	40,000:	34,561
Rubber Investigations, Bureau of Plant Industry, Soils, and Agri- cultural Engineering: For coordi- native, advisory and informational services in connection with devel- opment of rubber production in the Western Hemisphere	5,362:	14,022:	- -
Emergency Fund for the President, National Defense: For expenses of technical experts to assist in problems pertaining to livestock and other food production in British Isles	16,641:	13,067:	- -
Total, Obligations under Supplemental Funds	496,050:	536,404:	597,881

1/ Exclusive of Lend-lease funds which are not included in the regular Budget.

2/ Budget schedule for this item appears in the Department of State chapter of the Budget, page 596.

(f) International Production Control Committees

PROJECT STATEMENT

Project	1944	1945 (estimated)	1946 (estimated)	Increase or decrease
1. U. S. share of direct contributions for expenses of the International Production Control Committees:	\$3,000:	\$5,600:	\$5,600:	- -
2. Professional and clerical services	2,433:	2,524:	2,100:	-\$424
3. Other expenses incident to formulation and operation of new international commodity agreements	- -:	4,376:	4,800:	+424
Unobligated balance	7,067:	- -:	- -:	- -
Total estimate 1946 and 1945 and comparable amount 1944	12,500:	12,500:	12,500:	- -
Allotted from:				
"Salaries and expenses, Agricultural Adjustment Administration"	-8,500:	-8,500:	-8,500:	
"Administration of Sugar Act, Department of Agriculture"	-4,000:	-4,000:	-4,000:	
Total estimate or appropriation	- -:	- -:	- -:	

Section 701a of the Department of Agriculture Organic Act of 1944 authorizes the Secretary of Agriculture to utilize funds available for agricultural adjustment to cover the cost of United States membership in the International Wheat Advisory Committee or like events or bodies concerned with the management of agricultural surpluses, etc., and to provide for travel and incidental expenses in connection with such participation. The amount authorized for this purpose in 1945 (\$12,500) remains unchanged in the 1946 estimates.

Funds appropriated for effectuating the aims of crop-control, conservation, and encouragement of export programs have been made available, since the fiscal year 1935, for the payment of expenses of "International Production Control Committees" through a limitation heading bearing that title which has been contained in the Department of Agriculture appropriation bill. Since that time, expenses of representatives of the United States Department of Agriculture attending sessions of the International Wheat Advisory Committee have been paid under the authority contained in this limitation.

Since the fiscal year 1938, expenses have also been paid on account of the International Sugar Council. In addition, this limitation has covered the reimbursement of the State Department for its payment of the United States' share of the costs of both the Committee and the Council. Expenses incurred by the Department in connection with the International Cotton Committee and the statistical work of the Secretariat are also paid from this fund.

International Wheat Council: Under the provisions of the Memorandum of Agreement an International Wheat Council was formally organized and held its first meeting August 3-5, 1942. Delegates from the 5 participating countries, Argentina, Australia, Canada, the United Kingdom, and the United States, were officially appointed by their respective Governments.

The Council held meetings during the fiscal year 1944. Activities of the Council have so far been largely concerned with the wheat supply and production programs in the member countries, the consideration of plans and procedures with respect to the operation of the pool of relief wheat or flour when it may be called for in war-stricken and other necessitous areas, and to organizational matters and contact with other appropriate agencies dealing with international activities and post-war problems.

Funds to cover the United States' share of the Wheat Council, have, since 1935, been made available from the appropriation made under Section 12(a) of the Agricultural Adjustment Act of 1933.

International Sugar Council: The International Sugar Council, established under the International Sugar Agreement, signed in London on May 6, 1937, and ratified by the U. S. Senate on December 20, 1937, is being continued on a skeletal basis. The agreement itself provides generally for the regulation of production and marketing on an international basis. The Council is active during the war period in granting permission to signatory countries to modify production and marketing of sugar because of exigencies occurring under the war situation.

In 1943 the Council undertook a study of the sugar-supply situation in Axis and Axis-occupied countries in order to determine the probable import requirements of these areas during the immediate postwar period. The Council also has initiated an exploratory study of the agreement as it now stands with the objective of revising certain portions as soon as the war is terminated. Arrangements have recently been completed to extend the agreement to August 31, 1945.

It is expected that this Council will be highly significant in postwar adjustments in the international marketing of sugar.

Funds to cover the United States' share of the Sugar Council expenses have been made available from the appropriation made under Section 12(a) of the Agricultural Adjustment Act of 1933, and for carrying into effect the Sugar Act of 1937.

International Cotton Advisory Committee: The Committee is composed of representatives of the following member governments: United States, Union of Soviet Socialist Republics, Brazil, Egypt, India, Mexico, and Peru. The secretariat for the Committee was established at the first meeting on September 5, 1939, under the general direction of the Office of Foreign Agricultural Relations and is charged with observing and collecting data on the world cotton situation and advising the member Governments when world conditions seem favorable for further international cooperation. The Committee members exchange views between the interested Governments in respect to the form and the time for international collaboration designed to adjust world cotton supply to the demand.

Funds to cover the United States' share of the Cotton Advisory Committee are made available from the appropriation made under Section 12(a) of the Agricultural Adjustment Act of 1933.

PENALTY MAIL
Section 2, Public Law 364, 78th Congress
(Allotment to Office of Foreign Agricultural Relations)

	<u>Category 1</u>	<u>Category 2</u>	<u>Total</u>
1945	\$1,004	\$232	\$1,236
1946	1,481	266	1,747
Change	<u>+477</u>	<u>+34</u>	<u>+511</u>

Category 1 consists of publications issued by the office disseminating information on all phases of foreign agriculture to employees of the Department, other government agencies, the trade, and the general public. These publications are The Foreign Crops and Markets, Agriculture in the Americas, Foreign Agriculture and special releases which are issued by this Office.

Category 2 consists of correspondence with other government agencies, state organizations, and the public in reply to requests for information on foreign agriculture; and regular operating and administrative correspondence necessary to carry out the work of the Office.

The increase of \$511 for 1946 is necessitated by the mailing expected to result from (a) the activities for which increased funds are included in the Budget estimate, and (b) the reestablishment by the State Department of Agricultural Attaches in foreign countries, with resulting increase in pertinent and current information regarding agricultural competition and demand throughout the world.

EXTENSION SERVICE

(a) Payments to States, Hawaii, Alaska, and Puerto Rico
for Cooperative Agricultural Extension Work

Appropriation Act, 1945 \$14,198,950
 Budget estimate, 1946 14,198,950

PROJECT STATEMENT

Project	1944	1945 :(estimated):	1946 :(estimated):	Increase or decrease
1. Capper-Ketcham Act (Act of May 22, 1928) ..	\$1,480,000:	\$1,480,000:	\$1,480,000:	- -
2. Bankhead-Jones Act, section 21, Title II (Act of June 29, 1935) ..	12,000,000:	12,000,000:	12,000,000:	- -
3. Additional Extension Work (Act of April 24, 1939) ..	555,000:	555,000:	555,000:	- -
4. Alaska (Act of February 23, 1929) ..	13,950:	13,950:	13,950:	- -
(Act of June 20, 1936) ..	10,000:	10,000:	10,000:	- -
5. Puerto Rico (Act of August 28, 1937)	140,000:	140,000:	140,000:	- -
Total estimate or appropriation ..	14,198,950:	14,198,950:	14,198,950:	- -

The estimates for the Extension Service are divided into two parts:

- (a) "Payments to States and Territories" for cooperative agricultural extension work in the 48 States, Hawaii, Alaska, and Puerto Rico, and
 (b) "Salaries and expenses" to be expended mainly in Washington for the maintenance of a supervisory and clerical staff for the general administration and coordination of extension work.

PAYMENTS TO STATES AND TERRITORIES

The entire amount for payments to the States and Territories is paid directly to a designated officer in each State and Territory and the funds are disbursed by them in accordance with budgets and programs of work submitted by the directors of extension and approved by the Secretary of Agriculture. Some offset by States and Territories is required by law before the funds become available, resulting in extension work being financed about 50.2 percent from Federal sources (exclusive of emergency war food funds) and about 49.8 percent from State and local sources. The funds are used by the States for carrying on State and county extension work with rural people. Paid workers are being assisted by a network of voluntary neighborhood leaders who cooperate in carrying out extension programs.

Funds available for fiscal year 1945 for direct payments to States, Hawaii, Alaska, and Puerto Rico for cooperative agricultural extension work total \$18,903,660. There is also available \$93,180 from funds appropriated to the Department of Agriculture for Cooperative Farm Forestry, making a grand total of \$18,996,840 available to the States and Territories for the fiscal year 1945. The estimates for the fiscal year 1946 provide the same amount for these purposes. In addition, \$4,000,000 of the appropriation for War Food Administration, salaries and expenses, was made available to the States in the fiscal year 1945 for wartime extension programs of production and conservation. No amount is included in the 1946 estimates for this purpose.

The use of these funds is indicated in greater detail in the following tables. Table 1 indicates the sources of funds allotted for cooperative extension work in the States, Alaska, Hawaii, and Puerto Rico for 1945. Table 2 shows estimated direct payments to the States and Territories for 1946 indicating those which require offset by State, county or local funds, those where such offset is not required, and the basis of allotment. Table 3 shows, by States, the allotments available to States and Territories for 1945 and 1946 as contemplated by the Budget estimates. Table 4 indicates the various classes of field agents employed with extension funds.

Table 1--SOURCES OF FUNDS ALLOTTED FOR COOPERATIVE EXTENSION WORK IN STATES, ALASKA, HAWAII, AND PUERTO RICO
FOR THE FISCAL YEAR ENDING JUNE 30, 1945

STATES	FUNDS FROM FEDERAL SOURCES												FUNDS FROM WITHIN THE STATES		
	GRAND TOTAL	TOTAL FEDERAL FUNDS	TOTAL WITHIN THE STATES	SMITH-LEVER	BANKHEAD JONES	CAPPER KETCHAM	ADDITIONAL EXT. WORK	U.S. DEPT. OF AGRIC. CLARKE McNARY	NORRIS DOXEY	WAR FOOD ADM. FUNDS	STATE AND COLLEGE	COUNTY	FARMERS' ORGANIZATIONS ETC.		
Alabama	\$ 1,467,256.12	\$ 778,256.12	\$ 689,000.00	\$ 151,596.66	\$502,475.28	\$37,220.03	\$3,724.15	\$1,620.00	\$1,620.00	\$80,000.00	\$339,000.00	\$350,000.00	\$ -		
Arizona	223,620.00	137,243.39	86,376.61	33,296.96	61,113.21	22,833.22	-	-	-	20,000.00	55,503.81	30,872.80	-		
Arkansas	1,032,384.30	680,330.30	352,054.00	118,683.61	419,860.17	33,217.66	6,949.16	-	1,620.00	100,000.00	265,000.00	87,054.00	-		
California	1,220,980.00	593,531.62	627,448.38	153,609.36	260,837.46	37,464.80	-	1,620.00	-	140,000.00	356,688.38	270,760.00	-		
Colorado	521,909.59	300,271.59	221,638.00	48,141.19	110,836.10	24,638.47	27,395.83	1,260.00	-	88,000.00	97,400.00	119,738.00	4,500.00		
Connecticut	375,097.95	163,539.95	211,558.00	49,469.04	57,650.95	24,799.96	-	1,620.00	-	30,000.00	127,868.00	53,000.00	30,690.00		
Delaware	102,598.21	85,723.21	16,875.00	19,101.13	36,515.26	21,106.82	-	-	-	9,000.00	16,375.00	500.00	-		
Florida	601,648.54	295,683.54	305,965.00	70,994.31	129,651.51	27,417.72	-	1,620.00	-	66,000.00	140,465.00	165,500.00	-		
Georgia	1,307,422.45	855,638.45	451,784.00	156,817.49	511,293.31	37,854.95	26,432.70	1,620.00	1,620.00	120,000.00	150,240.00	300,044.00	1,500.00		
Idaho	334,807.71	225,807.71	109,000.00	34,936.02	92,773.63	23,032.55	3,445.51	1,620.00	-	70,000.00	40,000.00	69,000.00	-		
Illinois	1,320,904.13	663,329.13	657,575.00	159,515.89	371,653.23	38,153.11	10,736.90	1,620.00	1,620.00	80,000.00	225,575.00	7,000.00	425,000.00		
Indiana	1,141,456.67	558,615.67	582,841.00	120,302.76	313,278.64	33,414.27	-	1,620.00	-	90,000.00	305,050.00	275,891.00	1,900.00		
Iowa	1,561,319.41	662,440.72	898,878.69	114,139.96	354,375.33	32,664.80	28,020.63	1,620.00	1,620.00	130,000.00	288,165.93	318,912.76	291,800.00		
Kansas	1,104,724.36	473,995.43	630,728.93	84,993.69	238,032.79	29,120.22	50,228.73	-	1,620.00	70,000.00	164,680.00	360,857.60	105,191.33		
Kentucky	1,092,539.49	804,989.49	287,550.00	152,977.52	473,004.01	37,387.96	-	1,620.00	-	140,000.00	170,500.00	117,050.00	-		
Louisiana	1,130,394.20	549,518.20	580,876.00	109,083.79	326,764.51	32,049.90	-	1,620.00	-	80,000.00	451,422.54	125,753.46	3,700.00		
Maine	316,650.82	207,279.75	109,371.07	46,109.22	83,322.64	24,391.36	2,216.53	1,620.00	1,620.00	48,000.00	66,911.07	42,460.00	-		
Maryland	471,697.34	236,372.21	235,325.13	63,063.69	108,235.27	26,453.25	-	-	1,620.00	37,000.00	132,792.13	102,533.00	-		
Massachusetts	561,831.26	151,234.87	410,596.39	42,748.46	72,883.76	23,982.65	-	1,620.00	-	10,000.00	138,631.00	271,965.39	-		
Michigan	1,110,680.36	600,765.36	509,915.00	139,007.00	332,829.40	35,688.96	-	1,620.00	1,620.00	90,000.00	315,290.00	194,625.00	-		
Minnesota	942,148.21	604,436.21	337,712.00	110,427.47	348,555.43	32,213.31	-	1,620.00	1,620.00	110,000.00	145,712.00	181,000.00	11,000.00		
Mississippi	1,306,425.66	846,324.66	460,101.00	135,402.66	524,051.38	35,250.62	-	1,620.00	-	150,000.00	147,326.00	305,855.00	6,920.00		
Missouri	1,122,750.45	744,111.45	378,639.00	140,634.88	424,282.66	35,886.93	1,686.98	-	1,620.00	140,000.00	165,639.00	213,000.00	-		
Montana	491,722.00	254,670.66	237,051.34	34,918.54	83,243.96	23,030.42	32,217.74	1,260.00	-	80,000.00	69,950.00	167,101.34	-		
Nebraska	701,115.14	404,778.14	296,337.00	67,417.76	198,975.81	26,982.76	49,781.81	1,620.00	-	60,000.00	117,500.00	174,437.00	4,400.00		
Nevada	173,570.51	98,231.85	75,338.66	14,795.47	25,698.11	20,583.19	11,955.08	-	1,200.00	24,000.00	43,338.66	32,000.00	-		
New Hampshire	264,472.27	112,807.48	151,664.79	24,818.64	45,320.00	21,814.30	1,134.54	1,620.00	-	18,000.00	82,272.24	69,392.55	-		
New Jersey	549,626.05	202,649.37	346,976.68	64,818.34	71,390.79	26,666.64	8,153.60	1,620.00	-	30,000.00	119,188.76	224,537.92	3,250.00		
New Mexico	431,660.64	202,619.52	229,041.12	35,455.41	84,068.40	23,095.71	-	-	-	60,000.00	92,721.12	136,320.00	-		
New York	2,169,814.13	571,467.40	1,598,346.73	175,677.81	282,400.98	40,148.61	-	1,620.00	1,620.00	70,000.00	576,613.58	737,737.96	283,995.19		
North Carolina	1,544,389.93	991,411.23	552,978.70	196,032.50	616,134.72	42,624.01	-	1,620.00	-	135,000.00	231,032.00	321,946.70	-		
North Dakota	508,747.65	349,102.60	159,645.05	46,527.70	137,807.12	24,442.25	38,705.53	1,620.00	-	100,000.00	37,491.05	122,154.00	-		
Ohio	1,203,485.46	707,028.46	496,457.00	174,314.00	411,078.06	39,986.40	-	1,620.00	-	80,000.00	232,095.00	260,962.00	3,400.00		
Oklahoma	1,038,128.71	654,221.71	383,907.00	114,335.77	354,232.35	32,688.61	51,344.98	-	1,620.00	100,000.00	251,200.00	132,707.00	-		
Oregon	771,123.80	344,396.87	506,726.93	49,965.31	112,951.25	24,860.31	-	1,620.00	-	75,000.00	330,427.93	176,299.00	-		
Pennsylvania	1,195,207.00	716,045.80	479,161.20	247,302.93	348,623.69	48,859.18	-	1,260.00	-	70,000.00	354,161.20	125,000.00	-		
Rhode Island	93,691.25	66,034.47	27,656.78	14,294.63	26,217.56	20,522.28	-	-	-	5,000.00	10,000.00	13,625.00	4,031.78		
South Carolina	838,530.24	587,037.33	251,492.91	112,682.90	349,274.61	32,487.60	2,352.22	1,620.00	1,620.00	87,000.00	206,500.00	44,392.91	600.00		
South Dakota	441,426.22	320,808.45	120,617.77	44,727.29	130,397.99	24,223.30	59,839.87	-	1,620.00	60,000.00	63,840.00	56,777.77	-		
Tennessee	1,135,977.85	761,564.55	374,413.30	145,266.42	478,227.94	36,450.19	-	1,620.00	-	100,000.00	200,000.00	172,613.30	1,800.00		
Texas	2,401,238.53	1,401,069.93	1,000,168.60	260,920.43	795,775.47	50,515.24	82,238.79	1,620.00	-	210,000.00	365,118.00	631,565.60	3,485.00		
Utah	300,699.00	183,130.24	117,568.76	27,534.10	57,596.34	22,132.38	13,607.42	1,260.00	-	61,000.00	71,229.76	46,339.00	-		
Vermont	261,857.56	144,300.91	117,556.65	26,902.05	58,269.54	22,055.51	5,453.81	1,620.00	-	30,000.00	68,925.65	40,700.00	7,931.00		
Virginia	1,289,044.48	646,823.93	642,220.55	134,126.66	374,361.83	35,095.44	-	1,620.00	1,620.00	100,000.00	440,720.55	200,505.00	995.00		
Washington	633,547.59	319,310.33	314,237.26	68,315.60	142,282.78	27,091.95	-	1,620.00	-	80,000.00	108,349.00	205,888.26	-		
West Virginia	676,890.89	412,819.29	264,071.60	107,955.11	211,331.54	31,912.64	-	-	1,620.00	60,000.00	191,575.00	67,756.60	4,740.00		
Wisconsin	1,081,448.86	628,791.86	452,657.00	114,455.52	337,178.24	32,703.17	1,214.93	1,620.00	1,620.00	140,000.00	148,058.00	304,599.00	-		
Wyoming	257,781.47	139,642.21	118,139.26	21,256.35	46,185.03	21,368.92	19,571.91	1,260.00	-	30,000.00	66,550.76	51,588.50	-		
Alaska	44,050.00	33,950.00	10,100.00	13,950.00	-	10,000.00	-	-	-	10,000.00	10,100.00	-	-		
Hawaii	324,614.49	167,331.25	157,283.24	21,394.87	66,699.96	21,385.77	16,590.65	-	1,260.00	40,000.00	157,283.24	-	-		
Puerto Rico	549,815.19	344,015.19	205,800.00	103,315.19	140,000.00	-	-	1,620.00	-	99,080.00	205,800.00	-	-		
Reserve	91,340.00	91,340.00	-	-	-	-	-	340.00	470.00	87,920.00	-	-	-		
Totals	41,836,264.14	22,996,840.06	18,839,424.08	4,718,660.06	12,140,000.00	1,490,000.00	555,000.00	58,480.00	34,700.00	4,000,000.00	9,158,276.36	8,480,318.42	1,200,829.30		

Table 2--Statement of direct payments to States, Hawaii, Alaska, and Puerto Rico, indicating those requiring offset by States and Territories, those not requiring such offset, and basis of distribution, as estimated for 1946

Item	Total estimate, 1946	Amount to be paid without offset	Amount requiring offset and basis of allotment	
			Amount	Basis of allotment
1. Permanent annual appro- priation (Smith-Lever Act)	\$4,704,710	a/ \$500,000	\$4,204,710	Rural population
2. Copper- Ketcham Act .	1,480,000	b/ 980,000	500,000	" "
3. Bankhead- Jones Act ...	12,000,000	c/ 12,000,000	-	Farm population
4. Additional extension work:	555,000	555,000	-	Determined by Secretary of Agriculture
5. Alaska	23,950	d/ 20,000	3,950	Rural population
6. Puerto Rico	140,000	140,000	-	Specified by law
Total, direct Federal pay- ments	18,903,660	14,195,000	4,708,660	

a/ \$10,000 to each State, Hawaii, and Puerto Rico.

b/ \$20,000 to each State and Hawaii.

c/ \$20,000 to each State, Hawaii (balance on farm population basis).

d/ \$10,000 to Alaska (Act of Feb. 23, 1929); \$10,000 to Alaska (Act of June 20, 1936)

Funds from State and Other Sources

The Federal funds for cooperative agricultural extension work, \$18,996,840 for the fiscal year 1945, are supplemented by funds from within the States estimated at \$18,839,424, thus making available from Federal, State and local sources an approximate total of \$37,836,264 for extension work. Table 3 shows amounts allotted to States and Territories from these Federal funds.

Table 3--Allotments to States and Territories under Federal funds for cooperative agricultural extension work (including Clarke-McNary and Norris-Doxey extension allotment and excluding War Food allotment)

State	Appropriation, 1945 and Budget Estimate, 1946
Alabama	\$698,256.12
Arizona	117,243.39
Arkansas	580,330.30
California	453,531.62
Colorado	212,271.59
Connecticut	133,539.95
Delaware	76,723.21
Florida	229,683.54
Georgia	735,638.45
Idaho	155,807.71
Illinois	583,329.13
Indiana	468,615.67
Iowa	532,440.72
Kansas	403,995.43
Kentucky	664,989.49
Louisiana	469,518.20
Maine	159,279.75
Maryland	199,372.21
Massachusetts	141,234.87
Michigan	510,765.36
Minnesota	494,436.21
Mississippi	696,324.66
Missouri	604,111.45
Montana	174,670.66
Nebraska	344,778.14
Nevada	74,231.85
New Hampshire	94,807.48
New Jersey	172,649.37
New Mexico	142,619.52
New York	501,467.40
North Carolina	856,411.23
North Dakota	249,102.60
Ohio	627,028.46
Oklahoma	554,221.71
Oregon	189,396.87
Pennsylvania	646,045.80
Rhode Island	61,034.47
South Carolina	500,037.33
South Dakota	260,808.45
Tennessee	661,564.55
Texas	1,191,069.93
Utah	122,130.24
Vermont	114,300.91
Virginia	546,823.93
Washington	239,310.33
West Virginia	352,819.29
Wisconsin	488,791.86
Wyoming	109,642.21
Alaska	23,950.00
Hawaii	127,331.25
Puerto Rico	244,935.19
Reserve	3,420.00
Total	18,996,840.06

As the major purpose of the payments to States shown in Table 3 is for the employment of extension workers in counties and colleges, the following comparative statement is submitted showing agents employed:

Table 4--Extension field agents employed June 30, 1941, 1942, 1943, and 1944

	June 30, 1941	June 30, 1942	June 30, 1943	June 30, 1944
State supervisors	629	628	653	654
Subject-matter specialists:				
Full-time specialists . . .	1,318	1,340	1,285	1,287
Part-time specialists . . .	346	346	390	358
Total specialists . . .	1,664	1,686	1,675	1,645
Total with headquarters at colleges	2,293	2,314	2,328	2,299
County workers:				
Agricultural agents . . .	3,901	3,844	3,730	3,671
Home demonstration agents	2,093	2,183	2,317	2,328
Boys' and girls' club agents	357	336	337	331
Negro extension agents . . .	502	521	538	551
Total county workers	6,853	6,884	6,922	6,881
TOTAL	9,146	9,198	9,250	9,180

Number of counties in the States,
Hawaii and Puerto Rico 3,111
Number of counties now having one
or more agents 2,955

A general statement and an individual explanation of each of the various appropriation items follow:

WORK UNDER THIS APPROPRIATION

General Plan: Funds appropriated pursuant to the Smith-Lever Act, the Capper-Ketchum Act, the Bankhead-Jones Act, and for Additional Extension Work are all merged for the conduct of the cooperative extension work in each State and in Hawaii, Puerto Rico, and Alaska.

Each of the 48 States and the Territories of Hawaii, Alaska, and Puerto Rico has a director of extension, a State administrative and supervisory staff, with headquarters in most cases at the State agricultural college; and county agricultural agents, county home demonstration agents, and county club agents, who have their offices usually at the county seats. With its State and county workers, and volunteer farm men and women leaders in the communities and neighborhoods, Extension reaches in a personal way practically every farm family in the United States. The Federal and State Extension Services are the principal channels for the distribution of the knowledge and information provided by Department and land-grant college research, practical demonstrations, and experience of the most successful farmers and homemakers. Increased food production and conservation, higher incomes, an improved standard of living, and better nutrition and health are brought about through using more efficient and economical methods of production, marketing and homemaking.

Objective of Cooperative Extension Work: To aid rural people to make their greatest possible contribution to the war effort through (a) developing an accurate understanding of the various specific wartime programs affecting agriculture and ways in which individual rural families may cooperate; (b) encouraging rural people to utilize fully all available resources in solving current farm problems and to meet new situations; and (c) stimulating them to take necessary steps to insure maximum agricultural production and to maintain adequate nutritional and health standards.

The Problem and its Significance: Extension workers, Federal, State, and county, are receiving more and more requests for leadership, guidance, and assistance in the activities of rural people. The confidence of rural people in their cooperative extension agents, gained through many years' experience with food production and conservation programs, leads them to look to county agents for guidance.

The cooperative extension system has had many years of growth and seasoning and rural people have relied on it during the war period as well as in times of peace. Extension project leaders and county extension agents have adapted their plans and directed their efforts to help farm families make the greatest possible contribution to our country's agricultural war program. The Cooperative Extension Service now has the most important assignments in its history. Through Congressional authority or administrative direction, State extension directors and county agricultural agents have been given certain

administrative and coordinating functions in furtherance of agricultural programs, including the recruitment and placement of farm labor. Extension Service has also been asked to assume leadership among rural people in post-war planning and in assistance to veterans returning to agriculture.

Examples of Progress and Current Program: An outstanding accomplishment of the State and Territorial Extension Services during the past year was the educational work in carrying the facts to farm people and showing them, through demonstrations, personal visits, local publications and other ways, the good farming practices necessary to meet the goals of the food production program. This work was an important factor in securing the greatest production in history, with practically all goals met or exceeded.

County agricultural agents in nearly all counties, home demonstration agents in two-thirds of the counties, the 4-H Club and assistant agents, conducted more than 835,000 method and result demonstrations and influenced more than 8,000,000 farm and rural families to adopt important and improved practices. County Extension agents enrolled and trained 1,700,000 rural boys and girls in agriculture and home economics through 4-H Club work, devoting approximately 27 percent of their time to this activity. The 1,675 subject matter specialists familiar with the latest research information in their respective subjects, such as nutrition, poultry, and dairying, serve as State project leaders with reference to the latest remedies for farm problems as well as the most effective extension teaching methods. State Extension directors and county extension agent supervisors administer the work and furnish the agents information and suggestions on the most effective methods of program planning, extension teaching, and office management.

Extension has supervised and trained approximately 1,600,000 volunteer local and neighborhood extension leaders. They have been of great assistance in such activities as (1) rural fire control, (2) conserving and salvaging metals, rubber, and other war materials and prevention of waste, (3) rationing, (4) reaching production goals and other war aims, (5) war bond and stamp sales, (6) cost of living control program, (7) farm labor placement, and (8) conservation of farm home food supplies.

Behind the successful Victory garden program was the technical and promotional help given farm and city people alike by State specialists and county extension agents. They relayed the latest information on planting, cultivating, and pest control from State and national experiment stations. City people, as well as farmers, contributed to the immense food supply in 1943 and again in 1944. They were assisted by technical information and advice from the cooperative Extension Service.

The production of more milk and more meat has been a war necessity. This has meant adjustments in the programs followed on American farms. Feed supplies were out of balance with livestock numbers. Protein feeds were scarce. Much educational work had to be done; increased milk production had to come from sections where maximum production had not been reached. A national 8-point milk production program was launched. Educational materials were prepared on the "how" of production. County agents and representatives of industry distributed these materials to all dairy-men and cow milkers.

Growing vegetables and fruits and meats was not enough. Preservation of these products was necessary. Extension workers were trained in up-to-date methods of canning, freezing, dehydrating, brining, and storage. Major efforts were concentrated on home canning, but increased help on freezing was given, particularly in the Northeastern and Southern States, where new locker plants were established. County extension agents directed a number of community canning centers. New producers of meat were faced with the unfamiliar task of preparing and preserving meat at home. Many were assisted by the cooperative Extension Service.

Extension workers assisted farmers in fighting plant diseases and insects by finding and using effectively substitutes for scarce insecticides and materials. New disease-resistant varieties of crops were demonstrated to farmers. Seed was treated by county extension agents at seed clinics for commercial vegetable growers. Orchardists were benefited by orchard spraying services established in many States.

Early in 1944, the cooperative Extension Service aided in the increased production of farm field seeds to meet national needs by informing farmers of the best methods of harvesting and of Federal support prices. The war called for greater acreages of soybeans and flax and for more cottonseed and peanuts. To meet this demand, farmers were given accurate information on yields, varieties, and cultural practices. Demand for greater yields also brought about additional work with fertilizers and demonstrations showing their value.

Within the various States, the Extension Service continued to take a leading part in the educational work involved in soil and moisture-conservation programs, working closely with the Soil Conservation Service and other agencies. Through demonstrations of better farming methods, farmers were given assistance in increasing the production of their lands and in keeping their soils from eroding.

Farmers faced many problems of adjustment in production and marketing which called for greater use of economic facts supplied to them by the cooperative Extension Service. They were given up-to-date information on OPA regulations, war food orders, marketing problems, income tax, and better utilization of available labor.

Through 4-H Clubs, the youth of the Nation were given training not only in wartime food production and conservation but also in citizenship and character building. With their objective of "feeding a fighter" in mind, the 1,639,473 boys and girls in 74,813 clubs found they had scores of jobs to do. They raised pigs and calves, made clothes, grew Victory Gardens, bought and sold war bonds, gathered scrap, developed leadership among their members, cared for farm machinery and household equipment. Better homemaking practices took on added importance during the year. A majority of the 940,800 4-H girls carried on projects of varied nature that benefited the farm home.

Alaska: The provisions of the Smith-Lever Act of 1914 and the Capper-Ketcham Act of 1928 were extended to Alaska by special acts of Congress of February 23, 1929, and of June 20, 1936.

From the standpoint of agriculture, the Territory of Alaska is a food and feed deficit area, since it is necessary to ship a large amount of supplies direct from the States. The Agricultural Extension Service, since it was organized in Alaska in 1930, has been a factor in helping to make the farms self-sustaining and to provide food for the civilian population. Farm land, with the help of Extension agents, has been developed in both the Tanana and Matanuska Valleys.

The Extension Service has found that the farmers who make a success in Alaska are those who settle on desirable land near a market for surplus produce and raise most of their own food. This requires diversified farming, including small dairy herds, a few brood sows, small farm poultry flocks, vegetable gardens and small fruits. Feed needed for livestock on small farms can be produced economically. Potatoes and root crops supply farmers with a cash crop. There is a place on small farms for a few beef and dairy cattle and small farm flocks of sheep.

The Extension program of work is built on livestock production with some emphasis on dairying, together with food and feed production for human and animal consumption. The agricultural agents are devoting their time to livestock and food production, while the home demonstration agents are working on foods and nutrition. Marketing problems are being worked out by all agents in both Matanuska and Tanana Valleys. Soil-building crops produced are pasture, potatoes, oats, and peas, oats and vetch, peas and barley, and vetch and clover. Victory gardens have been planted as a means of production and preservation of food. A total of 1,350 gardens comprising 160 acres were planted on farms and 204 gardens were grown in 51 native villages.

In 4-H Club work, 611 boys and girls were enrolled, with 564 completing the projects in gardens, clothing, knitting, handicraft, health, child care, livestock, foods and nutrition and food preservation. A total of 66 local leaders who have been trained to accept responsibility for the program assisted in this phase of the extension program.

Puerto Rico: Under the guidance of the new Director of Extension, the Island has been divided into four zones or districts with district agents in charge. This has proved helpful in closer supervision with less travel under present conditions.

Because wartime shipping difficulties reduced importation on which Puerto Rico is dependent, extension devoted its time to an intensive continuous campaign on food production and conservation. Both adult and 4-H Club local leaders played an important part in the formulation of programs in counties.

Training meetings on different phases of extension work were held. These included training of leaders, neighborhood leaders, and 4-H Club leaders. The 4-H Club boys were trained in health and hygiene. Educational tours were held on dairying, home gardens, coffee, and soil conservation in various districts. Many and different kinds of demonstrations were given and meetings held to promote increase in food production, especially Victory Gardens.

The number of different farms visited has more than doubled in the past six years, totaling 35,815 in 1943. County agent office calls increased from 24,641 to 84,215, illustrating the increased interest in improved practice. Training conferences for volunteer local leaders increased from 109 to 585. There were 4,910 women "victory demonstrators" enrolled for 1943 and 47,742 containers of food were conserved for home use. The total of men and women neighborhood leaders for 1943 was 3,818. The number of 4-H Club boys and girls enrolled increased from 2,342 in 1937 to 11,786 in 1943.

Demonstration and test farms are organized to function in cooperation with the Experiment Station. Tests serve to try out conclusions reached at experiment station and, at same time, are practical demonstrations to farmers within the areas. A complete plan is worked out for each farm under the specialists serving as technical directors, for projects adapted to the areas. County agents use demonstrations at these farms to show farmers how they can produce better crops and livestock and encourage them to use the improved seed and purebred sires shown on the demonstration farms.

(b) Salaries and expenses, Administration and Coordination of Extension Work

Appropriation Act, 1945	\$748,843
First Supplemental Appropriation Act, 1945 (bulk mailing costs from Washington, D. C., under sec. 3, Public Law 364, 78th Cong.)	37,000
Total available, 1945	785,843
Budget estimate, 1946	697,900
Change for 1946:	
Overtime decrease -94,585	
Increase +6,642	-87,943

PROJECT STATEMENT

Project	1944	1945 (estimated)	1946 (estimated)	Increase or decrease
1. General administration and business service	\$100,682	\$149,053	\$155,695	+\$6,642 (1)
2. Review and analysis of State budgets, projects and plans, and examination of State expenditures from Federal payments	57,368	65,000	65,000	- -
3. Planning and coordination of State and county extension work	121,502	117,420	117,420	- -
4. Development of technical subject matter for use by State extension forces ...	175,349	182,000	182,000	- -
5. Field studies of extension work, and the training of extension workers..	65,986	80,000	80,000	- -
6. Preparation and distribution of visual material and extension literature to Department and State extension forces	94,746	97,785	97,785	- -
7. Overtime costs	82,259	94,585	- -	-94,585
Unobligated balance	15,891	- -	- -	- -
Total available	713,783	785,843	697,900	-87,943
Transferred to "Salaries and expenses, Office of Information"	45,060	- -	- -	
Total estimate or appropriation	718,843	785,843	697,900	

INCREASES OR DECREASES

The net decrease of \$87,943 for 1946 consists of the \$94,585 decrease for overtime, and

(1) An increase of \$6,642 under the project "General administration and business service" to provide for penalty mail costs on a full year basis in 1946, and to more adequately meet requirements under Section 3, Public Law 364 (bulk mailings in excess of 4 pounds from Washington, D. C.)

The Federal and State Extension Services are the principal channel for the distribution of the knowledge and information provided by Department and land-grant college research, practical demonstrations and experience of the most successful farmers and homemakers. As the Extension Service is looked upon by the Department as the educational agency for disseminating information to rural people, each national program affecting rural people brings in requests from the States for available material prepared on the national level for their use in their educational work in the rural areas. State and county cooperative extension workers have, since the passage of the Smith-Lever Act in 1914, distributed millions of copies of farmers' bulletins and other Federal publications to farmers, homemakers and 4-H Club members. These are mailed in packages from Washington to State and County extension offices for redistribution. These bulletins play a vital part in assisting rural people to produce and market crops and livestock, conserve soil, control insect pests, and diseases, conserve food and clothing, improve living conditions, and to solve other problems of farm production, homemaking, and 4-H Club youth.

The cost of shipping this mail for the 11 months during which section 3 of the new penalty mail law was applicable in the fiscal year 1945 was estimated at \$45,800, of which \$37,000 was appropriated by the First Supplemental Appropriation Act, 1945. An increase of \$6,642 is requested for fiscal year 1946 to meet more adequately the cost of these mailings, bringing the total estimate for this purpose for 1946 to \$43,642. This estimate is computed on the following basis:

74,000 packages, average weight 10 lbs., at 57-3/4¢	\$42,735
1,000 packages, average weight 15 lbs., at 83-5/8¢	836
190 packages, average weight 6 lbs., at 37-3/8¢	71
Total cost	<u>43,642</u>

WORK UNDER THIS APPROPRIATION

Objective: To represent the Department in the administration, through the State agricultural colleges, of the Nation-wide system of cooperative extension work in order that it may function nationally, as well as on a State and local basis, as an effective educational force to help every rural family.

The Problem and its Significance: The activities of the entire Extension Service are directed toward carrying out the general educational work in agriculture and home economics essential to the success of every program administered by the Department. From an elementary program of relatively simple practices in farming and home-making, extension work has grown until it encompasses practically all of the many deep-seated problems that affect agricultural policies and the entire mode of rural life.

Peacetime rural problems persist in wartime, but they are distorted by a continuing series of acute operational problems created for the farmer by shortages of labor and equipment, dislocations of distribution channels, and emergency war needs. Because of this, demands from the States for technical advice and assistance have greatly increased. It is essential that State and county extension workers be supplied with many types of materials, directions and plans to aid them in carrying on their work effectively; that State plans of work be reviewed to serve as a basis for work of staff members in the States; that outlines of plans of campaigns, illustrative and educational material be prepared; that necessary conferences be planned and followed up; and that special studies be made of the effectiveness of extension work.

Extension's system of neighborhood leaders is a powerful force for reaching all farm people quickly and directly through their neighbors with urgent wartime information, explanations of Government programs, and good farming and homemaking subject matter needed to enable farm people to make necessary wartime adjustments. Organizing, training, and getting necessary information to these leaders is a major responsibility and severely taxes the small Extension Federal staff. Much progress has been made, though the full potential force of the neighborhood leaders cannot be realized without adequate personnel and facilities for training them. As the post-war period approaches there is a growing demand from farm people for technical advice and assistance in planning post-war adjustments.

General Plan: The Federal extension office functions as an administrative organization for the whole cooperative agricultural extension service. It promotes close cooperation between the Federal Department of Agriculture and the State land-grant colleges in aiding rural people to attain more efficient farming, better homes, and a larger rural life. It administers the various acts of Congress relating to extension work, which involves review of budgets, projects, plans of work and financial reports to ascertain that the funds are expended in accordance with the Federal laws and agreements.

General supervision is maintained of the work of 3,671 county agricultural agents, 2,329 home demonstration agents, 331 4-H Club agents, 551 Negro agents, and 654 State supervisors and 1,350 war food assistants which centers in and clears through the Federal Extension Service, in order that national standards and principles in organizing and conducting extension work on the county level will be followed throughout the country. Some 1,600,000 volunteer local and neighborhood extension leaders are assisting these agents in carrying on the work.

Assistance is given to State extension services by adapting technical subject matter in agriculture and home economics to the needs of rural people and channeling to them, through State and county workers, the results of Department research. The county extension agents depend upon the State extension specialists for information and guidance in solving farm problems. The State specialists in turn are dependent upon the Federal extension subject-matter specialists and economists, who serve as liaison between the several agencies of the Department and the colleges. They also act as leaders in developing subject matter and economic educational programs on a regional basis.

Field studies and personnel training activities are conducted to make extension work more effective. In a decentralized educational system, such as the cooperative extension service, it is exceedingly important that a continuous program of field studies be conducted to determine the effectiveness of organizational structures, programs, and methods, and provide a factual basis for improving procedures and techniques. It is equally important that the new field personnel be given suitable training and that the older workers be kept abreast of current developments and be informed and practiced in the best known methods of conducting extension work.

A program of visual and information aids which interpret and support the Department's wartime program is developed for local adaptation and educational use by State and county extension workers. It is used to teach and assist State and county extension workers to plan and carry forward their own wartime educational programs. The teaching and informational media used include publications, radio, newspapers, circular letters, slide films, photographs, charts, and the like. Each agricultural program of concern to rural people requires the preparation and wide distribution of specific information and educational aids.

Examples of Progress and Current Activities: The following examples of recent activities under this appropriation are cited by projects to show progress on one or more aspects of the broader problems confronted.

General Administration and Business Service: This project covers the work of the Offices of the Director and Assistant Directors of Extension Work, and the Division of Business Administration. The Office of the Director has general supervision over the entire Extension Service in both Washington and the field. The Director and his assistants are serving on many essential committees in connection with the agricultural war effort and the interpretation of plans and policies of the War Production Board, Office of Price Administration, War and Navy Departments, and other Federal war agencies. Business operations are grouped under the Division of Business Administration. They include primarily the administration and supervision of personnel, fiscal, budgetary, purchase, and similar activities. Constant effort is being made to improve and increase efficiency and to adopt new and better procedures whenever possible.

Review and Analysis of State Budgets, Projects, and Plans, and Examination of State Expenditures from Federal Payments: All annual budgets and plans of work submitted by the States and Territories, as required by the Smith-Lever Act and supplementary extension acts, are reviewed by the Federal Extension Service. Extension assignments have increased the number of plans reviewed to more than 1500, including separate plans for the Farm Labor and the War Food Production and Conservation programs. State and Territorial vouchers involving more than \$40,000,000 of Federal and State offset funds, including payrolls and travel vouchers are reviewed to determine if expenditures are in accordance with the purposes of appropriation, limitations placed by Congress, and in line with approved plans and projects.

The staff assigned to this project represents the Federal Director of Extension work in making an annual review of extension program. It is required to make a thorough analysis and appraisal of work under way, to make sound recommendations based on wide experience and knowledge of extension work, and to the extent possible, to advise with State Directors regarding administrative policies and procedures. Extension directors and members of their staff request and receive assistance in developing better projects and plans of work, designed to strengthen their organization and procedure.

Planning and Coordination of State and County Extension Work: Under this project central direction is maintained so that national standards and principles in organizing and conducting extension work in the counties are understood throughout the country. This staff brings reports on situations and problems affecting the counties and States to the Federal service for appropriate action, and works with directors, supervisors, specialists and extension agents in planning, organizing and supervising State and county programs. It also helps the county extension agents through their supervisors to develop and train local volunteer leadership, organize and plan their work, translate such programs into action, and to so carry on the educational work that understanding and effective participation are assured. The need for such aid has been greatly increased by the addition of some 1,350 emergency war food assistants. In Washington, this staff operates in supplying State and county extension workers with many kinds of materials and plans to aid them in carrying on their work effectively. Outlines of plans of campaigns, together with suggested illustrative and educational material are prepared, distributed and used by the staff in the States. Staff members also help State and county workers organize programs and campaigns. Of special significance were the 8-point dairy program, meeting feed shortages, home food production, home food preservation, conservation of essential materials and equipment, meeting war food production goals, victory gardens, the purchase of war bonds and stamps, feed-a-fighter campaign of the 4-H Club program, food-fights-for-freedom, the national coordinated nutrition program, and others. This staff in cooperation with about 10 other government agencies organized and conducted a national conference on home food preservation. The recommendations of this conference, widely circulated and accepted, already exert a great influence in standardizing and safeguarding methods of home food canning and preserving.

The leader of this project, who is chairman of the United States Government Victory Garden Committee, assumed national direction of the Victory Garden Program again. This was one of the most important activities under this project. Eleven regional victory garden conferences were held at which representatives of the trade, garden clubs, State extension services, schools, magazines, press and radio and other various State and national agencies were in attendance. Here the representatives came to a common understanding of the nation's need for food and the program, and agreed on plans for the respective areas. Estimates and polls indicate that we had some 19 million victory gardens in 1944 on which were raised something over 8 million tons of food. Present indications are that we will have approximately the same number of gardens in 1945.

The staff is making substantial progress in aiding directors and State leaders to improve the direction and management of county extension agents and emergency war food assistants. Problems of supervision of county extension agents are great. County extension agents handle many more activities than formerly, and need much help in developing real programs of work and planning methods of carrying these out.

Development of Technical Subject Matter for Use by State Extension Forces: Subject-matter work of the Extension Service, during the war, has been developed around the programs to coordinate the effort of various public and private agencies supporting the war food program and objectives. The subject-matter specialist staff provides State and county extension forces with the results of research and essential information regarding national programs for agriculture. The work is divided along the following lines of activity:

(a) Extension programs in agriculture and home economics supply the supporting subject matter for the production of crops for food, feed, fiber, oil, seed, pastures; livestock and products - meat, milk, eggs, hides, wool, surgical sutures, etc.; various insect control campaigns; plant disease control; farm equipment use and conservation for machinery, transportation and buildings; farm fire control; farm safety campaign; conservation of soil under agricultural war program; farm forestry - timber production project; cotton grade improvement for farmers and ginneries; Livestock Conservation Program; Poultry Conservation Program; 8-Point Milk Program; and Victory Garden Program. Similarly, subject-matter support was provided for the following extension programs affecting farm family living in wartime: nutrition and health; food preservation; parent education and child training; family economics; clothing; recreation; and home industries and crafts.

Coordination of these projects has been accomplished through committee or other group organization in which the specialists concerned plan the extension subject materials and field procedures in collaboration with representatives of the U. S. D. A. bureaus, War Food Administration agencies, War agencies, commercial agencies if involved, and Federal and State extension workers. State extension programs are coordinated with Federal programs by visits to States for interviews with the State extension workers and by specialists of this staff representing Federal

extension work at State, regional, and national extension work planning conferences.

Agricultural production and farm living subject matter was especially prepared for and used effectively in junior as well as adult programs. Twenty-four agricultural production projects and seven home economics projects were conducted in 4-H Club work throughout the country in which a total of nearly one and a quarter million boys and girls completed over two and one-half million projects.

To aid cotton ginner with technical advice for improvement of their ginning equipment and its operation, three Federal cotton ginning specialists work directly with State and county extension workers by visiting cotton gins and specifying needed adjustments, repairs or installations of equipment and providing directions for its correct operation and maintenance. These Federal cotton ginning specialists are located in close association with the regional offices of the Cotton and Fiber Branch, Office of Distribution, at Atlanta and Dallas, and with the Department's Cotton Ginning Laboratory at Stoneville, Mississippi. Subject matter is derived from these source offices and disseminated through State Extension Services to farmers and ginner. The specialists conduct extension work for gin improvement by visiting gins and making written recommendations for the owner's use, and in doing so are serving the State and county programs of State extension workers leading the cotton grade improvement work.

(b) Extension programs in agricultural economics supply the supporting subject matter for farm management and general economics, marketing, rural sociology, and farm credit.

The functions of this staff are to:

- Assist the States in developing and further improving their extension programs in economics and related fields.

- Assist State economists in developing appropriate plans of work and annual reports.

- Develop educational programs on special problems in connection with the war and the post-war period of a social and economic nature.

- Review economic research work developed by research agencies and assist in incorporating their findings into State economic extension programs.

- Work with other Federal agencies in developing programs of an economic nature such as outlook, post-war planning, price control and support programs, and production goals.

- Inform State extension workers of action taken by Federal agencies which will affect farmers and reflect farm reaction to Federal programs to the Federal action agencies.

Develop regional or national economic analyses pertinent to special problems

Some examples of methods used and progress achieved in the particular field or lines of work, in connection with extension programs in agricultural economics, are given below:

Increased Production of Food, Fats, and Fiber. Extension economists have helped the State workers analyze the production potentialities for war crops by areas and by types of farms. They in turn have assisted farmers in making the necessary adjustments to meet increased farm production needs. The educational program carried on in the States has been an important factor in obtaining marked increases in total agricultural production which was the result of many radical shifts in acreage and production of individual commodities.

Economic Information and Outlook. In addition to the usual commodity outlook information, much emphasis was given this year to broader national and international problems affecting the social and economic well being of rural people in the immediate and post-war periods.

Post-War Planning. Federal extension economists serve on regional post-war planning committees of the Department and have helped prepare State and regional reports. They also have assembled technical information and suggestions for use of State economists who serve on State post-war planning committees.

Credit and Farm Financial Planning. A farm and home financial planning program has been discussed with State workers in all of the States, and a kit of information and materials to be used as a basis for county programs covering this phase of work has been prepared and furnished to the farm and home management specialists in all of the States. Sound investments under present economic conditions, the danger of farm purchases at present high land values, the place of war bonds in the farmer's holdings, sound sufficient reserves, postponement of unnecessary purchases, and tax payments are all a part of this program.

Price Stabilization Program. The Federal leaders in marketing keep in close touch with the Federal personnel who develop the Government's price programs. When new regulations are released, they are immediately sent to State workers. In most States this information is adapted to State conditions and disseminated through various Extension channels. Extension economists have assisted also in developing marketing systems for selected commodities in order that price support programs might be made effective.

War Food Orders. Federal extension economists have: (1) Assisted in developing provisions of orders adaptable to farming conditions; (2) digested the provisions of orders to simplify them for use by State people; (3) disseminated digests of orders and copies of orders to State people as a part of the process of informing producers and processors, and (4) attended meetings of industry representatives called by State extension economists, to explain purposes and provisions of food orders.

Dairy Products Diversion Program. The wartime demand for dehydrated milk could not be met without expanding milk drying facilities. Since 1939 there has been a rapid shift from the sale of farm separated cream to whole milk by farmers in the heaviest milk production area of the north central States. The Extension Service was called upon to develop an educational program for areas where the shift might be made with some encouragement, and as a direct result of this program 14 projects which have a capacity of about 38 million pounds of dried product a year have been approved for Minnesota. In addition to the program in Minnesota less intensive activities of a similar nature were carried out in Iowa, Kansas, and Oklahoma.

Marketing Services. War demand for food has resulted in an unprecedented production of cattle and hogs, creating a serious marketing problem. A report on the cattle situation was prepared and sent to all State marketing and livestock specialists together with a release on the livestock-feed balance. Educational work on grain standards emphasized producing and marketing quality grain. Leaflets describing how to grade soybeans, flaxseed, grain sorghum, wheat and edible soybeans were prepared.

Rural Social Organization. Much of Extension's educational program is carried to individual farm families in rural communities and neighborhoods through 1,600,000 volunteer local and neighborhood extension leaders. An effort has been made to discover and make available to these leaders all known scientific principles bearing on organization and methods used in helping people to help themselves. The need for thus proceeding has become increasingly important during the war years with the introduction of many new programs calling for increased production effort by farmers in the face of a curtailed supply of the factors of production.

Field studies of extension work, and the training of extension workers: Studies of organization structures, administrative procedures, and teaching techniques provide a basis for increasing the effectiveness with which cooperative extension employees conduct their work. Current programs of work for field studies are as follows:

An evaluation of the job of the home demonstration agent and recommendations for a more effective program. Facts obtained will be used to assist extension agents in more effective time management and program development. An intensive study is also planned

to evaluate the home demonstration organization.

Case Histories. Historical or long-time stories of specific situations faced, solutions tried, and results obtained are being assembled.

Compilation of Extension Research. A bibliography of extension research (418 studies) has been completed. Catalogs, annotations, and digests of extension material have been assembled and filed.

Readability of Extension Written Materials. Written materials submitted by Extension Services of 47 States and Puerto Rico have been analyzed as to readability and suggestions have been made for simplification.

Neighborhood Leadership. The neighborhood leaders studies have shown that the wartime message can be carried quickly to practically every farm family; that if contacted personally a high percentage will respond.

Current training programs are as follows:

Training of Extension Personnel. The staff of this project analyzes methods of training extension personnel, outlines procedures, and prepares training materials; also cooperates with the States in assisting with the "J" programs for the improvement of extension activities.

Foreign Student Program. Extension Service is carrying on a program for training Latin-American students who will take a course in extension work and will observe extension in the counties in preparation for doing this work in their own countries. A program is being carried on also in cooperation with the training division of the Institute of Inter-American Affairs. By July 1945 a total of 67 students is expected.

Preparation and Distribution of Visual Material and Extension Literature to Department and State Extension Forces: Major emphasis has been placed on keeping the cooperative State and county extension workers quickly informed of food needs, Government food orders, price regulations affecting agriculture, public announcements of programs and policies, and preparing supporting educational material in the form of background fact sheets, program booklets, publications, visual aids, and suggested material for localized news and radio use. This has resulted in the distribution of about a million copies of Department materials to extension workers; preparation of 32 publications for printing; handling requests from extension workers for 27,000,000 copies of mimeographed material; production of 15 new slidefilms; 20,000 photographs; preparation of 16 posters; and more than 500 charts, graphs, and other drawn illustrations.

This staff has cooperated with other Department and War Food Administration offices in preparation of motion pictures, publications, and other material for extension educational use. Greatly increased effort was made during the year to supply material to and get support of national magazines, radio networks, advertising agencies, and the larger newspapers, especially in explaining to the public the need for farm workers, Victory Gardens, and the like. This was done through contacts with 60 national magazines and in supplying them with requested material; about 120 special radio network programs, arranging for 160 short announcements in commercial programs on all major networks; supplying program booklets stating the problem and suggested appeals to all advertisers.

(c) Cooperative Agricultural Extension Work
(Permanent Annual Smith-Lever Appropriation)

Permanent appropriation, 1945 \$4,704,710
Budget estimate, 1946 4,704,710

PROJECT STATEMENT

Project	:	1944	:	1945	:	1946	:	Increase or decrease
	:		:	:(estimated):	:	:(estimated):	:	
Payments to States, Hawaii, and Puerto Rico for cooperative agricultural extension work (Smith-Lever Act)	:	\$4,704,710:	:	\$4,704,710:	:	\$4,704,710:	:	- -
	:		:		:		:	

WORK UNDER THIS APPROPRIATION

This permanent specific appropriation for cooperative agricultural extension work was provided for under the Smith-Lever Act, approved May 8, 1914 (7 U. S. C. 341-348), as amended by the extension of this Act to the Territory of Hawaii by the Act of May 16, 1928 (7 U.S.C. 386-386b) and to Puerto Rico by the Act of March 4, 1931 (7 U.S.C. 386d-386f). Under the provisions of these Acts \$10,000 is appropriated annually to each State, Hawaii, and Puerto Rico without requirement of State or Territorial offset, and the remainder of the appropriation is distributed on the basis of rural population. The Smith-Lever Act is the basic act under which cooperative extension work is conducted by the Department and State colleges of agriculture. The general statement for cooperative extension work applies also to the work performed under this appropriation.

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(d) Salaries and Expenses, War Food Administration
(Allotment to Extension Service)

Allotment, 1945	\$4,070,000
Budget estimate, 1946	- -
Change for 1946:	
Overtime decrease	-7,210
Other decrease	<u>-4,062,790</u>
	<u>-4,070,000</u>

PROJECT STATEMENT

Project	1944	1945 :(estimated):	1946 :(estimated):	Increase or decrease
1. Federal administration of emergency extension war programs	\$13,782	\$62,790	- -	-\$62,790
2. Payments to States and Territories for emer- gency extension work related to the war	1,815,648	4,000,000	- -	-4,000,000
3. Overtime costs	1,524	7,210	- -	-7,210
Unobligated balance	204,046	- -	- -	- -
Total allotment	2,035,000	4,070,000	- -	-4,070,000(1)

DECREASE

- (1) A decrease of \$4,070,000 no provision being made in the Budget estimates continuing the wartime extension program of food production and conservation. (\$70,000 for Federal administration and \$4,000,000 for payments to States and Territories).

WORK UNDER THIS ALLOTMENT

Objective: The objective has been to carry out the educational work assigned to the Extension Service by the War Food Administrator which relates to war food programs. The primary wartime responsibility of extension agents in the States and counties is to render such educational and informational services to farmers and their families as will enable them to produce and conserve the kinds and amounts of food and fiber required in the successful prosecution of the war.

The Problem and its Significance: Prior to the employment of war food assistants in 1944, approximately 100 counties were without the services of county extension agents, many large counties lacked assistant agents, 1,000 counties had no county home demonstration agents and several hundred county agents had no clerical help or very inadequate clerical help. The allocation of \$4,000,000 of War Food Administration funds to the States and Territories for 1945 has made possible the employment of 2,900 emergency extension workers of whom 562 are men war food assistants employed in counties which either had no county agent or inadequate assistant agents - 798 women war food assistants, many of whom are working in counties without home demonstration agents - 73 negro men and 151 negro women working in counties having large negro farm populations without the services of negro extension agents - 136 working in cities and towns primarily on Victory gardens and food conservation, and 45 emergency supervisors and State assistants. To relieve the county agents of details 1,135 county clerks have been employed making it possible for the county agents to spend more time working in the field. Many thousands of additional farm and rural people are being reached and given advice and assistance through demonstrations and otherwise in selecting and growing essential crops and livestock that will give the greatest returns; conserving food in every possible way by preventing waste; preserving and utilizing the surplus; using available labor to the best advantage; improving the diet of the family in order to protect health; and doing their part in the agricultural and other wartime government programs.

The staff of the Federal Extension Office has also been reinforced to plan and coordinate the emergency extension work caused by the war; to develop technical subject matter for use by State and county extension workers; and to prepare and distribute visual material and war information to State and county workers.

Examples of Progress and Current Program: The following examples of recent accomplishments under this allotment are cited to show progress on some of the problems confronted which included: The necessity for production of new wartime crops; adoption of new production practices necessitated by the inability to acquire former production materials; maintaining or increasing production with less labor and materials available; increasing production for home use; conservation of maximum amounts of food products; improvement of family nutrition in order to protect health; insuring maximum utilization of available labor; effective operation under the various wartime restrictions and regulations necessary to insure agriculture making its maximum contribution.

Men war food assistants employed in Wisconsin and Minnesota have made a substantial contribution in obtaining increased production of dairy products by their work with farmers whose herds were producing less than average. Most of the work is done by individual contact with producers on problems of hay, pasture, herd management, culling and milk quality. The assistants are also working through creameries and milk plants with group meetings. This program is helping to get new milk houses on many farms.

In Idaho men assistants organized and conducted county-wide cattle grub control campaigns resulting in the treating of over 50,000 beef and dairy cattle, they gave demonstrations and assisted farmers who were not experienced in growing peas to properly apply rotenone dust to control pea weevils, and in the Snake River Valley where there was a shortage of irrigation water, they reached larger numbers of people with special campaigns to utilize the water to the fullest extent.

In Oklahoma during the period March 1 to June 30, 1944 war food assistants conducted 2,254 demonstrations in Victory gardens, food conservation, poultry, milk production, beef, sheep and hog production, wheat, corn, peanuts, soybeans, care of farm machinery, soil conservation and insect control, and helped 25,817 rural and urban families individually with various phases of the food production and conservation program.

Emergency women war food assistants work with women and girls on a year round food supply adequate for health and efficiency and based on sound nutrition principles. They give help in home gardening, poultry production, canning freezing, drying and storing. Their fall and winter activities include food utilization, meat, game and fish preservation.

The 73 negro men and 151 negro women war food assistants have helped negro farmers, homemakers and boys and girls in counties which do not have negro extension agents to produce and conserve food and improve their living conditions.

(e) Farm and Other Private Forestry Cooperation
(Allotment to Extension Service)

Allotment, 1945	\$108,380
Budget estimate, 1946	<u>106,839</u>
Change for 1946:	
Overtime decrease -1,541	
No other change - -	<u>-1,541</u>

PROJECT STATEMENT

Project	1944	1945 (estimated)	1946 (estimated)	Increase or decrease
Cooperation with States for:				
extension activities in :				
developing farm forestry:				
1. Under Norris-Doxey Act..:	26,148:	41,739:	41,739:	- -
2. Under Clarke-McNary Act,:				
Section 5	53,817:	65,100:	65,100:	- -
3. Overtime costs	1,484:	1,541:	- -:	-1,541 (1)
Unobligated balance	19,117:	- -:	- -:	- -
Total allotment	100,566:	108,380:	106,839:	-1,541

WORK UNDER THIS ALLOTMENT

This budget schedule covers obligations under an allotment to make available forestry subject matter and information on teaching methods and procedures to State Extension Services whose forestry specialists, through the county agents, influence farmers to adopt improved woodland management and marketing practices and thereby provide forest products needed by industry and the armed forces. The notes for the appropriation "Farm and Other Private Forestry Cooperation" (under Forest Service) include combined reports of progress under this appropriation, including the work of the Extension Service.

(f) Conservation and Use of Agricultural Land Resources
(Allotment to Extension Service)

This budget schedule covered obligations under an allotment to Extension Service for special assistance in connection with the preparation of extension literature and visual material for use by State and county extension workers in carrying on educational activities in behalf of the conservation and sound farming objectives of the agricultural conservation program.

(g) Exportation and Domestic Consumption of Agricultural Commodities
(Allotment to Extension Service)

This budget schedule covers obligations under an allotment to Extension Service to provide special assistance on agricultural marketing agreement programs and the preparation and distribution of educational material in connection with the requirements of the Office of Distribution.

(h) Working Funds (Extension Service)

This budget schedule covers obligations under advances to the Extension Service, under Section 601 of the Economy Act of June 30, 1932, for special assistance to the Department of Interior on reclamation projects.

STATEMENT OF OBLIGATIONS UNDER SUPPLEMENTAL FUNDS
(1944 and 1945 figures include overtime costs)

Item	Obligations, 1944	Estimated obligations, 1945	Estimated obligations, 1946
<u>Salaries and expenses, War Food Administration: Emergency extension work necessary to the successful prosecution of War Food Administration programs ..</u>	1,830,954	4,070,000	- -
<u>Farm and other private forestry cooperation: Cooperation with States for extension activities in developing farm forestry under the--</u>			
Norris-Doxey Act	27,004	42,652	41,739
Clarke-McNary Act, Section 5	54,445	65,728	65,100
Total, Farm and other private forestry cooperation	81,449	108,380	106,839
<u>Conservation and use of agricultural land resources: Special assistance connected with requirements of the agricultural conservation program</u>	5,967	- -	- -
<u>Exportation and domestic consumption of agricultural commodities: Special assistance in connection with the requirements of the Office of Distribution</u>	7,310	7,900	7,900
<u>Working Funds (Extension Service)</u>			
<u>Advance from Department of the Interior:</u>			
Bureau of Reclamation, for special assistance on reclamation projects...	8,941	9,500	9,500
<u>Supply and distribution of farm labor:</u>			
Mobilization of local labor under the Department's farm labor program: <u>1/</u>			
Administrative expenses	178,445	241,182	- -
Payments to States	5,806,000	8,907,878	- -
Total, Supply and distribution of farm labor	5,984,445	9,149,060	- -
<u>Cooperation with American Republics (Transfer from State Department)</u>			
Trainee program in agricultural and home economics extension work <u>2/</u>	28,293	- -	34,116
<u>Total, Obligations under Supplemental Funds</u>	7,947,359	13,344,840	158,355

- 1/ Appropriation made on a calendar year basis, in a separate act. Present law provides funds for calendar year 1945, which extends through first half of fiscal year 1946. However, no detailed breakdown is shown in 1946 column of Budget.
- 2/ Schedule for this item appears under the State Department chapter of the Budget, page 596.

PENALTY MAIL
Section 2, Public Law 364, 78th Congress
(Allotment to Extension Service)

	<u>Category 1</u>	<u>Category 2</u>	<u>Total</u>
1945	\$277,500	\$555,000	\$832,500
1946	300,000	600,000	900,000
Change	+22,500	+45,000	+67,500

Category 1 consists of bulletins, leaflets, publications, etc., issued by the Department and the State Colleges of Agriculture on such agricultural programs as production goals (milk production, poultry and eggs, etc.), farm labor, victory gardens, home food preservation, home safety and fire prevention instructions, soil conservation, and information on food production and related agricultural needs.

Category 2 consists of the following major items:

- (a) Circular letters to farmers, homemakers and 4-H Club members in furtherance of programs in agriculture and home economics, and giving information on improved methods of farming.
- (b) Post cards used for enrollment of 4-H Club members and for reporting results achieved by the 1,700,000 4-H Club boys and girls.
- (c) 4-H Club record books for garden clubs, poultry clubs, clothing clubs, pig clubs, etc.
- (d) Circular letters of instructions, notices of meetings, etc., to the 1,100,000 volunteer local leaders who assist the county agents.
- (e) The general operations and business administration correspondence of the bureau.

The increase of \$67,500 is required to cover more adequately the cost of penalty mailings under legislation authorizing cooperative agricultural extension work. There is disseminated annually farmers' bulletins and other Federal publications containing helpful information on a wide range of agricultural subjects, and in wartime, other matters of interest and use to farmers, homemakers, 4-H Club members, and others. As the principal channel for the distribution of knowledge and information derived from agricultural research, demonstrations, and experience, the Extension Service quite naturally has a large volume of mail. Extension workers in the field, in serving the farm people and rendering the help they request, send under penalty indicia a large volume of mail such as notices to farmers, homemakers, boys and girls, of method and result demonstrations, meetings, exhibits, etc., forms and regulations in connection with such programs as farm labor placement, rationing, war bonds, farm transportation; bulletins and circulars to assist farm people in furthering their programs in food production, preservation, and conservation, in production of feeds and pastures, livestock, poultry

and poultry products, in the production and management of cash crops in forest management, in home improvement, in nutrition, clothing and recreation, and in community development and cooperative enterprises.

The cost of these mailings for fiscal year 1945 was estimated at \$900,000 of which \$832,500 was appropriated by the First Supplemental Appropriation Act, 1945. From information now available, it is evident that if the present rate of mailings should continue, the cost would exceed the estimate for fiscal year 1945. Spring and early summer campaigns, drives to open new programs, etc., which cause a considerable increase in the normal months' mailings, will come during the last half of the fiscal year. These campaigns and programs will be greatly handicapped by the reduced rate of mailings made necessary by the 7 $\frac{1}{2}$ % reduction in appropriation below the estimate. In order to avoid a similar situation in fiscal year 1946, an increase of \$67,500 is requested to at least bring the appropriation up to the full amount estimated as essential to permit the mailings necessary to the fulfillment of the objectives of extension agricultural programs.

Applicability of Law to the Extension Service

The estimate covers the official mailings of the Federal Extension Service and the county extension agents, the county home demonstration agents, and other county extension employees, but does not cover the mailings of the State Extension Service Directors of the State Agricultural Colleges. This arises from the fact that Sections 2c and 2d of Public Law 364 require each Department, Agency and Independent Establishment to submit estimates for the cost of handling its penalty mail and to deposit in the general funds of the Treasury as Miscellaneous Receipts, amounts equivalent to such costs. The State Extension Service Directors are not a "Department, Agency, or Independent Establishment" of the Federal Government, and therefore are not subject to these sections of the Act. The State Directors are, however, required to submit inventory reports of envelopes and other mailing materials to the Postmaster General under Sections 2a and 2b, which apply not only to each "Department, Agency and Independent Establishment" but also to "other organizations and persons."

The mailings of the county agents and other county employees are included in the estimate because they derive their authority to use penalty mail by virtue of being appointed collaborators of the Department of Agriculture, which makes them "officials of the Government" as used in the basic law for the use of the penalty privilege by Government departments (39 U.S.C. 1940 edition, 321). The State Extension Directors, on the other hand, derive their authority to use the free penalty privilege from the Act of June 30, 1914 (39 U.S.C. 1940 edition, 330) which states the conditions under which they may use the penalty privilege.